

**KVH Industries, Inc.**  
**Charter of the**  
**Compensation Committee**  
**as Approved by the Board of Directors**  
**February 13, 2017**

**A. Organization**

1. *Charter.* This charter was last amended by the Board of Directors (the “Board”) of KVH Industries, Inc. (the “Company”) on February 13, 2017. The Compensation Committee (the “Committee”) shall review and reassess the adequacy of this charter at least annually, and any proposed changes shall be submitted to the Board for approval. This charter supersedes all prior charters of the Committee.

2. *Membership.* The members of the Committee shall be appointed by the Board and shall consist of at least two members. In selecting the members of the Committee (all of whom shall be directors), the Board shall endeavor to ensure that each member of the Committee satisfies:

(a) the independence and other requirements of applicable law and the listing standards of the Nasdaq Stock Market, Inc., including Nasdaq Stock Market Rule 5605(d)(2)(A), as amended from time to time;

(b) the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended from time to time (“Section 162(m)”); and

(c) the requirements of a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”). The failure of any Committee member so to qualify shall not affect the validity of any action taken by the Committee.

Committee members shall be subject to annual reconfirmation and may be removed by the Board at any time.

3. *Chairperson.* The Board may appoint a chairperson of the Committee (the “Chair”), who shall serve at the discretion of the Board. If the Board shall not have appointed a Chair, the Committee may appoint one of its members to serve as Chair, who shall serve at the discretion of the Committee. The Chair shall preside at all meetings of the Committee and shall have such other powers and responsibilities as the Board or the Committee shall designate.

4. *Meetings.* The Committee shall each year establish a schedule of regular meetings. Additional meetings may be scheduled as required. The Chair and/or the Board may call such additional meetings. Meetings held to consider or approve the compensation of the Chief Executive Officer shall not be attended by any executive officer (including the Chief

Executive Officer), but the Committee may invite the Chief Executive Officer and other officers to attend meetings held to consider or approve the compensation of other executive officers.

5. *Quorum; Action by Committee.* A quorum of any Committee meeting shall be at least a majority of the total number of members of the Committee. When a quorum is present, all determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held, except as specifically provided herein. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

6. *Agenda, Minutes and Reports.* An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board. The Committee shall make regular reports to the Board.

7. *Annual Self-Assessment.* The Committee shall conduct an annual self-assessment in order to improve its performance. The assessment shall include an evaluation of the proper scope of the Committee's authority and responsibilities and the resources available to the Committee to carry out its responsibilities.

## **B. Purpose**

The Committee's primary purposes are to review the performance and development of the Company's executive officers in achieving corporate goals and objectives and to assure that such officers are compensated effectively in a manner consistent with the strategy of the Company, competitive practice, internal pay equity and the requirements of the appropriate regulatory bodies. Toward that end, the Committee will oversee, review and administer all the Company's compensation, equity and employee benefit plans and programs.

## **C. Responsibilities, Duties and Authority**

1. *Generally.* In carrying out its purpose, the Committee will have the following responsibilities, duties and authority:

- Review at least annually and approve the Company's compensation strategy to ensure that employees of the Company are rewarded appropriately for their contributions to the Company's financial performance and corresponding increases in stockholder value, giving proper consideration to the relationship between pay and performance and whether or not the compensation strategy encourages an appropriate level of risk-taking for the benefit of the Company's stockholders.
- Review at least annually and approve corporate goals and objectives relevant to executive compensation and evaluate the performance of the Company's executive officers in light of those goals.

- At least annually determine and approve the compensation of the Company's Chief Executive Officer and other executive officers, including individual elements of salary, bonus, supplemental retirement, incentive and equity compensation, in light of corporate goals and objectives and performance evaluations, giving due consideration to the deductibility of such compensation under Section 162(m).
- In establishing compensation for the Company's Chief Executive Officer, give due consideration to the ratio of such compensation to median annual employee compensation and/or such other measures of internal pay equity as the Committee shall determine to be appropriate.
- Review and approve all executive officers' employment agreements, separation and severance agreements, and other compensatory contracts, arrangements, perquisites payments and benefits.
- Review and discuss with management the Compensation Discussion and Analysis to be included in the Company's annual report or proxy statement relating to the annual meeting of stockholders and determine whether to recommend to the Board that the Compensation Discussion and Analysis should be included therein.
- Review and approve clawback policies to ensure that amounts determined not to have been properly earned, whether as a result of a restatement or otherwise, are restored to the Company.
- Review and approve policies regarding the hedging and pledging of Company securities by executive officers and other employees in order to promote alignment between the interests of stockholders and employees.
- Review and approve compensation for non-employee members of the Board, including stock compensation, giving appropriate consideration to director compensation practices prevailing in the market, in the industry or industries in which the Company participates, among a peer group of companies or among such other group as the directors may determine to be appropriate.
- Review and make recommendations with respect to stockholder proposals relating to compensation matters.
- Grant stock options and other discretionary awards under the Company's stock option or other equity incentive plans to all persons who are Board members or executive officers.
- Grant stock options and other discretionary awards under the Company's stock option or other equity incentive plans to all other eligible individuals in the Company's service.
- Administer the Company's stock option or other equity incentive plans, to the extent authorized by the Board, and make recommendations to the Board with respect to stock option or other equity incentive plans.

- Approve for submission to the stockholders stock option or other equity incentive plans or amendments thereto.
- Oversee and periodically review the operation of all of the Company's employee benefit plans including, but not limited to, the Section 401(k) Plan. Responsibility for day-to-day administration, including the preparation and filing of all government reports and the preparation and delivery of all required employee materials and communications, will be performed by Company personnel.
- Prepare the report of the Committee to be included in the Company's annual proxy statement.
- Obtain such data or other resources as it deems necessary to perform its duties, including but not limited to obtaining external consultant reports or published salary surveys, and engaging, in accordance with Subsection 2 below, compensation consultants and other professionals to assist in the design, formulation, analysis and implementation of compensation programs for the Company's executive officers and other key employees.
- Review and approve all reports and summaries of compensation policies and decisions as may be appropriate for operational purposes or as may be required under applicable law.
- Perform any other activities consistent with this Charter, the Company's By-laws and governing law as the Committee or the Board deems necessary or appropriate.
- Perform an evaluation of its performance at least annually to determine whether it is functioning effectively.
- Carry out such other duties as may be delegated to it by the Board from time to time.

Notwithstanding the foregoing, any action of the Committee may be subject to Board review and may be revised, modified or rescinded by the Board.

2. *Compensation Consultants, Legal Counsel, Other Advisors.*

(a) The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. The Committee shall have the ultimate authority and responsibility to engage or terminate any such compensation consultant, legal counsel or other adviser and to approve the terms of any such engagement.

(b) The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

- (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

(ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

(iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

(iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

(v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

(vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The foregoing provisions of this Subsection 2(b) shall not be construed (x) to require the Committee to implement or act consistently with the advice or recommendations of any compensation consultant, legal counsel or other adviser to the Committee or (y) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of the duties of the Committee.

(c) The Committee is required to conduct the independence assessment outlined in the foregoing Subsection 2(b) with respect to any compensation consultant, legal counsel or other adviser that provides advice to the Committee, other than in-house legal counsel, *provided that* a compensation consultant, legal counsel or other compensation adviser need not be independent as long as the Committee considers the enumerated independence factors set forth in Subsection 2(b) before selecting, or receiving advice from, such compensation adviser. The Committee may select, or receive advice from, any compensation adviser it prefers, including ones that are not independent, after considering the independence factors set forth in Subsection 2(b).

(d) Notwithstanding the foregoing, the Committee is not required to conduct an independence assessment for a compensation adviser that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K, as amended from time to time: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the adviser, and about which the adviser does not provide advice.

(e) The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee.

## **D. Other**

1. *Access to Records and Others.* In discharging its responsibilities, the Committee shall have full access to any relevant records of the Company as it determines necessary to carry out its duties. The Committee may also request that any officer or other employee of the Company, the Company's outside counsel or any other person meet with any members of, or independent advisers to, the Committee.

2. *Delegation.* The Committee may delegate any of its responsibilities to a subcommittee comprised of one or more members of the Committee, except that the responsibilities of the Committee with respect to the grant of stock options or other awards under the Company's stock option or other equity incentive plans to any person who is an "officer" of the Company for purposes of Section 16 of the Exchange Act shall not be delegated.