

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **September 30, 2022**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number **0-28082**

KVH Industries, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

05-0420589
(I.R.S. Employer Identification Number)

50 Enterprise Center, Middletown, RI 02842
(Address of Principal Executive Offices) (Zip Code)
(401) 847-3327

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Common Stock, par value \$0.01 per share	KVHI	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Date	Class	Outstanding shares
December 1, 2022	Common Stock, par value \$0.01 per share	19,181,956

KVH INDUSTRIES, INC. AND SUBSIDIARIES

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ITEM 1. Financial Statements

PART I. FINANCIAL INFORMATION

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	September 30, 2022 (unaudited)	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,402	\$ 11,376
Marketable securities	55,171	13,147
Accounts receivable, net of allowance for doubtful accounts of \$1,523 and \$1,597 as of September 30, 2022 and December 31, 2021, respectively	27,775	27,766
Inventories, net	23,878	15,833
Prepaid expenses and other current assets	3,426	2,637
Current contract assets	1,268	1,230
Current assets held for sale	—	15,841
Total current assets	125,920	87,830
Property and equipment, net	52,930	52,945
Intangible assets, net	467	1,287
Goodwill	5,237	6,570
Right of use assets	1,410	3,055
Other non-current assets	5,067	6,778
Non-current contract assets	3,185	3,104
Deferred income tax asset	56	56
Non-current assets held for sale	—	7,169
Total assets	\$ 194,272	\$ 168,794
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,629	\$ 9,501
Accrued compensation and employee-related expenses	7,258	6,139
Accrued other	11,119	6,937
Accrued product warranty costs	1,284	1,084
Contract liabilities	3,816	3,778
Current operating lease liability	963	1,912
Liability for uncertain tax positions	624	592
Current liabilities held for sale	—	3,939
Total current liabilities	34,693	33,882
Other long-term liabilities	—	22
Long-term operating lease liability	472	1,224
Long-term contract liabilities	4,335	4,466
Deferred income tax liability	184	215
Non-current liabilities held for sale	—	8
Total liabilities	\$ 39,684	\$ 39,817
Commitments and contingencies (Notes 2, 10, 12, and 17)		
Stockholders' equity:		
Preferred stock, \$0.01 par value. Authorized 1,000,000 shares; none issued	—	—
Common stock, \$0.01 par value. Authorized 30,000,000 shares; 20,606,201 and 20,342,695 shares issued at September 30, 2022 and December 31, 2021, respectively; and 19,173,507 and 18,910,001 shares outstanding at September 30, 2022 and December 31, 2021, respectively	206	203
Additional paid-in capital	159,555	156,199
Retained earnings (accumulated deficit)	11,345	(12,165)
Accumulated other comprehensive loss	(4,667)	(3,409)
	166,439	140,828
Less: treasury stock at cost, common stock, 1,432,694 shares as of September 30, 2022 and December 31, 2021	(11,851)	(11,851)
Total stockholders' equity	154,588	128,977
Total liabilities and stockholders' equity	\$ 194,272	\$ 168,794

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except earnings per share amounts, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Sales:				
Product	\$ 6,625	\$ 6,851	\$ 19,808	\$ 21,788
Service	28,544	27,537	83,065	76,862
Net sales	<u>35,169</u>	<u>34,388</u>	<u>102,873</u>	<u>98,650</u>
Costs and expenses:				
Costs of product sales	6,747	5,604	17,363	16,891
Costs of service sales	15,379	16,665	45,505	47,635
Research and development	2,745	2,828	8,380	8,270
Sales, marketing and support	5,710	6,168	18,355	19,027
General and administrative	5,559	6,666	19,532	22,514
Total costs and expenses	<u>36,140</u>	<u>37,931</u>	<u>109,135</u>	<u>114,337</u>
Loss from operations	(971)	(3,543)	(6,262)	(15,687)
Interest income	389	218	798	673
Interest expense	1	20	3	52
Other income, net	569	7,031	1,561	6,174
(Loss) income from continuing operations before income tax expense (benefit)	(14)	3,686	(3,906)	(8,892)
Income tax expense (benefit) from continuing operations	81	16	645	(59)
Net (loss) income from continuing operations	\$ (95)	\$ 3,670	\$ (4,551)	\$ (8,833)
Net income from discontinued operations, net of tax	29,741	348	28,061	3,150
Net income (loss)	<u><u>\$ 29,646</u></u>	<u><u>\$ 4,018</u></u>	<u><u>\$ 23,510</u></u>	<u><u>\$ (5,683)</u></u>
Net (loss) income from continuing operations per common share				
Basic	<u><u>\$ (0.01)</u></u>	<u><u>\$ 0.20</u></u>	<u><u>\$ (0.25)</u></u>	<u><u>\$ (0.49)</u></u>
Diluted	<u><u>\$ (0.01)</u></u>	<u><u>\$ 0.20</u></u>	<u><u>\$ (0.25)</u></u>	<u><u>\$ (0.49)</u></u>
Net income from discontinued operations per common share				
Basic	<u><u>\$ 1.59</u></u>	<u><u>\$ 0.02</u></u>	<u><u>\$ 1.51</u></u>	<u><u>\$ 0.17</u></u>
Diluted	<u><u>\$ 1.59</u></u>	<u><u>\$ 0.02</u></u>	<u><u>\$ 1.51</u></u>	<u><u>\$ 0.17</u></u>
Net income (loss) per common share				
Basic	<u><u>\$ 1.58</u></u>	<u><u>\$ 0.22</u></u>	<u><u>\$ 1.27</u></u>	<u><u>\$ (0.31)</u></u>
Diluted	<u><u>\$ 1.58</u></u>	<u><u>\$ 0.22</u></u>	<u><u>\$ 1.27</u></u>	<u><u>\$ (0.31)</u></u>
Weighted average number of common shares outstanding:				
Basic	<u><u>18,706</u></u>	<u><u>18,341</u></u>	<u><u>18,574</u></u>	<u><u>18,152</u></u>
Diluted	<u><u>18,706</u></u>	<u><u>18,566</u></u>	<u><u>18,574</u></u>	<u><u>18,152</u></u>

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss)	\$ 29,646	\$ 4,018	\$ 23,510	\$ (5,683)
Other comprehensive loss, net of tax:				
Foreign currency translation adjustment	(646)	(370)	(1,258)	(106)
Other comprehensive loss, net of tax ⁽¹⁾	(646)	(370)	(1,258)	(106)
Total comprehensive income (loss)	<u>\$ 29,000</u>	<u>\$ 3,648</u>	<u>\$ 22,252</u>	<u>\$ (5,789)</u>

(1) Tax impact was nominal for all periods.

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, unaudited)

	Common Stock		Additional Paid-in Capital	(Accumulated deficit) Retained earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at June 30, 2022	20,503	\$ 205	\$ 157,996	\$ (18,301)	\$ (4,021)	(1,433)	\$ (11,851)	\$ 124,028
Net income	—	—	—	29,646	—	—	—	29,646
Other comprehensive loss	—	—	—	—	(646)	—	—	(646)
Stock-based compensation	—	—	1,109	—	—	—	—	1,109
Exercise of stock options and issuance of restricted stock awards, net of forfeitures	103	1	450	—	—	—	—	451
Balance at September 30, 2022	20,606	\$ 206	\$ 159,555	\$ 11,345	\$ (4,667)	(1,433)	\$ (11,851)	\$ 154,588

	Common Stock		Additional Paid-in Capital	(Accumulated deficit) Retained earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2021	20,343	\$ 203	\$ 156,199	\$ (12,165)	\$ (3,409)	(1,433)	\$ (11,851)	\$ 128,977
Net income	—	—	—	23,510	—	—	—	23,510
Other comprehensive loss	—	—	—	—	(1,258)	—	—	(1,258)
Stock-based compensation	—	—	2,695	—	—	—	—	2,695
Issuance of common stock under employee stock purchase plan	22	—	193	—	—	—	—	193
Exercise of stock options and issuance of restricted stock awards, net of forfeitures	241	3	599	—	—	—	—	602
Taxes accrued for net share settlement of options	—	—	(131)	—	—	—	—	(131)
Balance at September 30, 2022	20,606	\$ 206	\$ 159,555	\$ 11,345	\$ (4,667)	(1,433)	\$ (11,851)	\$ 154,588

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at June 30, 2021	20,245	\$ 202	\$ 153,596	\$ (12,103)	\$ (2,968)	(1,433)	\$ (11,851)	\$ 126,876
Net income	—	—	—	4,018	—	—	—	4,018
Other comprehensive loss	—	—	—	—	(370)	—	—	(370)
Stock-based compensation	—	—	1,042	—	—	—	—	1,042
Issuance of common stock under employee stock purchase plan	26	—	231	—	—	—	—	231
Exercise of stock options and issuance of restricted stock awards, net of forfeitures	61	1	172	—	—	—	—	173
Balance at September 30, 2021	20,332	\$ 203	\$ 155,041	\$ (8,085)	\$ (3,338)	(1,433)	\$ (11,851)	\$ 131,970

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2020	19,863	\$ 199	\$ 149,170	\$ (2,402)	\$ (3,232)	(1,433)	\$ (11,851)	\$ 131,884
Net loss	—	—	—	(5,683)	—	—	—	(5,683)
Other comprehensive loss	—	—	—	—	(106)	—	—	(106)
Stock-based compensation	—	—	3,029	—	—	—	—	3,029
Issuance of common stock under employee stock purchase plan	26	—	231	—	—	—	—	231
Exercise of stock options and issuance of restricted stock awards, net of forfeitures	443	4	2,611	—	—	—	—	2,615
Balance at September 30, 2021	20,332	\$ 203	\$ 155,041	\$ (8,085)	\$ (3,338)	(1,433)	\$ (11,851)	\$ 131,970

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ 23,510	\$ (5,683)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Provision for doubtful accounts	459	524
Depreciation and amortization	10,756	10,772
Deferred income taxes	(31)	—
Loss on disposals of fixed assets	362	766
Compensation expense related to stock-based awards and employee stock purchase plan	2,695	3,029
Unrealized currency translation gain	(808)	(35)
Gain on sale of KVH Media Group Entertainment Limited	(631)	—
Gain on sale of inertial navigation business	(30,858)	—
PPP loan forgiveness	—	(6,979)
Changes in operating assets and liabilities:		
Accounts receivable	(117)	1,194
Inventories	(9,643)	34
Prepaid expenses, other current assets, and current contract assets	(1,543)	(955)
Other non-current assets and non-current contract assets	1,574	1,185
Accounts payable	612	(2,407)
Contract liabilities and long-term contract liabilities	203	(739)
Accrued compensation, product warranty and other	1,993	1,206
Other long-term liabilities	—	2
Net cash (used in) provided by operating activities	\$ (1,467)	\$ 1,914
Cash flows from investing activities:		
Capital expenditures	(11,000)	(15,239)
Cash paid for acquisition of intangible asset	(42)	(47)
Proceeds from sale of fixed assets	—	100
Proceeds from the sale of KVH Media Group Entertainment Limited, net of cash sold	2,378	—
Proceeds from the sale of inertial navigation business	55,000	—
Purchases of marketable securities	(55,203)	(5)
Maturities and sales of marketable securities	13,164	8,000
Net cash provided by (used in) investing activities	\$ 4,297	\$ (7,191)
Cash flows from financing activities:		
Proceeds from stock options exercised and employee stock purchase plan	796	2,846
Payment of finance lease	(198)	(228)
Net cash provided by financing activities	\$ 598	\$ 2,618
Effect of exchange rate changes on cash and cash equivalents	(402)	(39)
Net increase (decrease) in cash and cash equivalents	3,026	(2,698)
Cash and cash equivalents at beginning of period	11,376	12,578
Cash and cash equivalents at end of period	\$ 14,402	\$ 9,880
Supplemental disclosure of non-cash investing and financing activities:		
Changes in accrued other and accounts payable related to property and equipment additions	\$ 6	\$ 154
Taxes accrued for net share settlement of options	\$ 131	\$ —

See accompanying Notes to Unaudited Consolidated Financial Statements.

KVH INDUSTRIES, INC. AND SUBSIDIARIES
Notes to Consolidated Interim Financial Statements
(Unaudited, all amounts in thousands except per share amounts)

(1) Description of Business

KVH Industries, Inc. (together with its subsidiaries, the Company or KVH) designs, develops, manufactures and markets mobile connectivity products and services for the marine and land markets.

KVH's satellite-only and hybrid products enable marine customers to receive data, voice, and value-added services via satellite, cellular, and shore-based Wi-Fi networks onboard commercial, leisure, and military/government vessels. In addition, the Company's in-motion television terminals permit customers to receive live digital television via regional satellite services in marine vessels, recreational vehicles, buses and automobiles. KVH sells its products through an extensive international network of dealers and distributors. KVH also sells and leases products to service providers and end users.

KVH's service sales represent primarily revenue earned from satellite Internet airtime services. KVH provides, for monthly fixed and per-usage fees, satellite connectivity encompassing broadband Internet and Voice over Internet Protocol (VoIP) services, to its TracNet-H series and TracPhone V-series customers via KVH's global high-throughput satellite (HTS) network. Cellular airtime service increasingly supplements KVH's satellite-only airtime revenue following the July 2022 launch of the KVH ONE hybrid network and TracNet H-series terminals. This product and service combination integrates global satellite service with KVH-provided cellular service in more than 150 countries, along with shore-based Wi-Fi access.

AgilePlans, KVH's connectivity as a service offering, is a monthly subscription model that provides global connectivity to commercial maritime customers. The subscription includes the choice of satellite-only and hybrid terminals, airtime data service, VoIP, daily news, subsidized shipping and installation, and global support for a monthly fee with no minimum contract commitment. KVH offers AgilePlans subscribers a variety of airtime data plans with varying data speeds and fixed data usage levels with per megabyte overage charges. These airtime plans are similar to those the Company offers to customers who elect to purchase or lease a TracNet H-series or TracPhone V-series terminal.

The Company recognizes the monthly AgilePlans subscription fee as service revenue over the service delivery period. The Company retains ownership of the hardware it provides to AgilePlans customers, who must return the hardware to KVH if they decide to terminate the service. Because KVH does not sell the hardware under AgilePlans, the Company does not recognize any product revenue when the hardware is deployed to an AgilePlans customer. KVH records the cost of the hardware used by AgilePlans customers as revenue-generating assets and depreciates the cost over an estimated useful life of five years. Since the Company is retaining ownership of the hardware, it does not accrue any warranty costs for AgilePlans hardware; however, the Company expenses any maintenance costs on the hardware in the period these costs are incurred.

Service sales also include the distribution of commercially licensed entertainment, including news, sports, music, and movies to commercial customers in the maritime, hotel, and retail markets through the KVH Media Group, along with supplemental value-added services. In addition, KVH earns monthly usage fees from third-party satellite connectivity services, including voice, data and Internet services, provided to its Inmarsat and Iridium customers who choose to activate their subscriptions with KVH. Service sales also include sales from product repairs and extended warranty sales.

On August 9, 2022, the Company sold its inertial navigation business to EMCORE Corporation for gross proceeds of \$55,000, less specified deductions and a holdback of \$1,000 and subject to a working capital adjustment. The holdback was released to the Company on August 17, 2022. On August 9, 2022, the Company also entered into a Transition Services Agreement with EMCORE, pursuant to which the Company agreed to provide certain transition services to support the continued operation of the inertial navigation business for six months following the sale with two extension options of three months each. The fee is comprised of both fixed monthly fees of approximately \$100 as well as variable amounts for certain additional services with escalation increases on the fixed and variable rates for each extension option. The working capital adjustment is expected to be finalized in the fourth quarter of 2022. The Company does not have any continuing involvement in these operations other than short-term transition services, which are being recorded in other income in continuing operations. The Company determined that the sale met the requirements for reporting as discontinued operations in accordance with Accounting Standards Codification (ASC) 205-20. Please see Note 18 for the discontinued operations disclosures.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated interim financial statements of KVH Industries, Inc. and its wholly owned subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States of America. The Company has evaluated all subsequent events through the date of this filing. All significant intercompany accounts and transactions have been eliminated in consolidation.

The 2021 consolidated interim financial statements reflect the sale of the inertial navigation business as discontinued operations. See Notes 1 and 18 for further information on the sale of the inertial navigation business.

The consolidated interim financial statements have not been audited by the Company's independent registered public accounting firm and include all adjustments (consisting of only normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial condition, results of operations, and cash flows for the periods presented. These consolidated interim financial statements do not include all disclosures associated with annual financial statements and accordingly should be read in conjunction with the Company's consolidated financial statements and related notes included in the Company's annual report on Form 10-K for the year ended December 31, 2021 filed on March 11, 2022 with the Securities and Exchange Commission. The results for the three and nine months ended September 30, 2022 are not necessarily indicative of operating results for the remainder of the year.

Significant Estimates and Assumptions and Other Significant Non-Recurring Transactions

The preparation of interim financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the interim financial statements and the reported amounts of sales and expenses during the reporting periods. As described in the Company's annual report on Form 10-K, the estimates and assumptions used by management affect the Company's revenue recognition, valuation of accounts receivable, valuation of inventory, expected future cash flows including growth rates, discount rates, terminal values and other assumptions and estimates used to evaluate the recoverability of long-lived assets and goodwill, estimated fair values of long-lived assets, including goodwill, amortization methods and periods, certain accrued expenses and other related charges, stock-based compensation, contingent liabilities, forfeitures and key valuation assumptions for its share-based awards, estimated fulfillment costs for warranty obligations, tax reserves and recoverability of the Company's net deferred tax assets and related valuation allowance, and the valuation of right-of-use assets and lease liabilities.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances.

Management Transition and Restructuring

On March 7, 2022, the Company announced that its President and Chief Executive Officer, Martin Kits van Heyningen, was retiring from his executive and Board roles after more than 40 years of service and assuming a consulting position with the Company. Brent C. Bruun, its then Chief Operating Officer, was appointed as its interim President and Chief Executive Officer. Subsequently, on June 15, 2022, he was appointed as its President and Chief Executive Officer and as a Class II member of the Board of Directors. As of March 31, 2022, the Company accrued approximately \$539 in consulting fees associated with a maximum of 50 hours of transition services through March 2023, which is being paid to Mr. Kits van Heyningen over the 12 months following his retirement. Approximately \$269 is accrued as of September 30, 2022. In addition, the Company agreed to a separation payment of \$201, which was inclusive of any amount which he may have otherwise earned under the executive bonus plan for 2021, which was paid in April 2022. The associated expenses were included in general and administrative expenses in the accompanying consolidated statements of operations. There were also modifications to Mr. Kits van Heyningen's stock option and restricted stock awards. Please see Note 5 for further discussion.

In March 2022, the Company also restructured its operations to reduce costs and better pursue a more focused strategy. The Company reduced its workforce by approximately 10% and began incurring reduced expenses from these actions beginning in the second quarter of 2022. For the three months ended September 30, 2022, the Company incurred \$83 in severance payments and other employee benefit costs for employees who had a severance date of December 31, 2022, none of which was paid as of September 30, 2022. For the nine months ended September 30, 2022, the Company incurred \$1,901 in severance and health insurance costs and \$327 in legal and advisory fees. The combined expense of \$2,228 was included in the

financial statement line items of the accompanying consolidated statements of operations as follows: costs of product sales of \$17, costs of service sales of \$55, research and development of \$392, sales, marketing and support of \$977, and general and administrative expenses of \$787. The Company expects to incur an additional \$83 in severance payments and other employee benefit costs through December 31, 2022 arising from this restructuring. The Company also modified impacted employee's stock option and restricted stock awards. Please see Note 5 for further discussion.

For the three months ended September 30, 2022, we restructured our foreign operations by closing our India and Cyprus offices and our Denmark warehouse to reduce costs. Approximately \$370 of severance payments, other employee benefits, and legal and advisory fees were incurred for the three and nine months ended September 30, 2022. We expect to incur an additional \$100 in severance payments and other employee benefit costs through December 31, 2022 arising from this restructuring.

Dispositions; Termination of Credit Facility

On April 29, 2022, KVH Media Group Limited, the Company's wholly owned subsidiary, sold its subsidiary KVH Media Group Entertainment Limited for net cash proceeds of \$2,378. This transaction did not meet the criteria for reporting as discontinued operations under ASC 205-20. The Company recorded a gain on the sale of approximately \$630, which is recorded in other income, net in the accompanying consolidated statements of operations. See Note 14 for the reduction of goodwill and intangibles associated with the KVH Media Group reporting unit as it relates to the sale of this subsidiary.

On August 9, 2022, the Company sold its inertial navigation business to EMCORE Corporation. Please see Notes 1 and 18 for further discussion.

On August 9, 2022, the Company also terminated its senior secured credit facility agreement (the 2018 Credit Agreement) and the related security and pledge agreements with Bank of America, N.A., as Administrative Agent. At the time of termination, no borrowings were outstanding under the 2018 Credit Agreement. With the termination of this agreement, all associated liens were released.

Executive Employment Agreements

In May 2022, the Company entered into executive employment agreements with each of Brent C. Bruun, Roger A. Kuebel, Felise Feingold and Robert Balog in order to retain their services and provide them with certain benefits in the event that the Company terminates the executive's employment without cause (as defined in the agreement) or the executive terminates his or her employment for good reason (as defined in the agreement) (either such termination, a "Qualifying Termination"), including following a change of control. The terms of the agreements are substantially identical except as to title, salary, target bonus and reporting responsibilities. The agreements provide that, if the executive continues to serve as an employee through December 31, 2022 (the "Retention Date"), the Company will pay the executive a retention bonus equal to 75% of the executive's base salary on the agreement date, and the Company will accelerate the vesting of the executive's equity awards that would otherwise have vested in the twelve months after the Retention Date. Please see Note 5 for further discussion regarding the equity compensation modifications. If a Qualifying Termination occurs before December 31, 2022, the executive will receive a pro rata portion of the retention bonus. If in connection with such a termination the executive becomes entitled to receive the change in control severance payments and benefits, the executive will also become entitled to receive the full retention bonus, and the Retention Date will be the later of the date of such change in control or such termination of employment.

On October 11, 2022, the Company entered into an amendment to the employment agreement with Mr. Bruun that, among other things, increased his annual base salary to \$448 per year, retroactive to July 1, 2022, increased his target annual incentive compensation for the second half of 2022 to 80% of his base salary (without changing his target annual incentive compensation for the first half of 2022), extended his Retention Date from December 31, 2022 to December 31, 2023, which effectively extended the period during which Mr. Bruun must remain employed by the Company in order to earn his retention bonus, and modified the amount of the retention bonus from 75% of his base salary in effect on May 2, 2022 to 75% of the highest base salary in effect for Mr. Bruun on or before the date he becomes entitled to receive the retention bonus or the "Partial Retention Bonus" (as defined in the employment agreement). The amendment did not modify the terms of the employment agreement relating to acceleration of vesting of certain equity awards if Mr. Bruun remains employed by the Company through December 31, 2022. As of September 30, 2022, the Company accrued approximately \$649 for the executive employment agreements.

In addition to the amendment to Mr. Bruun's employment agreement, the Compensation Committee also granted Mr. Bruun a restricted stock award and a non-statutory stock option, which together had an aggregate grant date fair value of

approximately \$100,000. The restricted stock award and the non-statutory stock option have terms that are materially consistent with the previously disclosed terms of similar grants to the Company's executive officers.

(3) Accounting Standards Issued and Not Yet Adopted

ASC Update No. 2016-13, ASC Update No. 2018-19, ASC Update No. 2019-04, ASC Update No. 2019-05, ASC Update No. 2019-10, ASC Update No. 2019-11, ASC Update No. 2020-02, and ASC Update No. 2022-02

In June 2016, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Codification (ASC) Update No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The purpose of Update No. 2016-13 is to replace the incurred loss impairment methodology for financial assets measured at amortized cost with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information, including forecasted information, to develop credit loss estimates.

In November 2018, the FASB issued ASC Update No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*. This update introduced an expected credit loss methodology for the impairment of financial assets measured at amortized cost. The amendment also clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, Leases.

In May 2019, the FASB issued ASC Update No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. This update introduced clarifications of the Board's intent with respect to accrued interest, the transfer between classifications or categories for loans and debt securities, recoveries, reinsurance recoverables, projects of interest rate environments for variable-rate financial instruments, costs to sell when foreclosure is probable, consideration of expected prepayments when determining the effective interest rate, vintage disclosures, and extension and renewal options.

In May 2019, the FASB issued ASC Update No. 2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief*. The amendments in the update ease the transition for entities adopting ASC Update 2016-13 and increase the comparability of financial statement information. With the exception of held-to-maturity debt securities, the amendments allow entities to irrevocably elect to apply the fair value option to financial instruments that were previously recorded at amortized cost basis within the scope of Subtopic 326-20, *Financial Instruments—Credit Losses—Measured at Amortized Cost*.

In November 2019, the FASB issued ASC Update No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*. The amendments in this update change some effective dates for certain new accounting standards including those pertaining to Topic 326 discussed above, for certain types of entities.

In November 2019, the FASB issued ASC Update No. 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses (Topic 326)*. The update is effective for entities that have adopted ASU 2016-13. The purpose of Update No. 2019-11 is to clarify the scope of the recovery guidance to purchased financial assets with credit deterioration.

In February 2020, the FASB issued ASC Update No. 2020-02, *Financial Instruments – Credit Losses (Topic 326) and Leases (Topic 842)*. The purpose of Update No. 2020-02 is to clarify the scope and interpretation of the standard.

In March 2022, the FASB issued ASC update 2022-02, *Financial Instruments – Credit Losses (Topic 326) – Troubled Debt Restructurings and Vintage Disclosures*. The vintage disclosure portion of this guidance is applicable to the Company, which requires that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investment in leases within the scope of Subtopic 326-20. Gross write-off information must include the amortized cost basis of financing receivables by credit-quality indicator and class of financing receivable by year of origination.

As a smaller reporting company the effective date for Topic 326 will be the fiscal year beginning after December 15, 2022. The adoption of Update Nos. 2016-13, 2018-19, 2019-04, 2019-05, 2019-10, 2019-11, 2020-02 and 2022-02 is not expected to have a material impact on the Company's financial position or results of operations.

There are no other recent accounting pronouncements issued by the FASB that the Company expects would have a material impact on the Company's financial statements.

(4) Marketable Securities

Marketable securities as of September 30, 2022 and December 31, 2021 consisted of the following:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
September 30, 2022				
Money market mutual funds	\$ 50,265	\$ —	\$ —	\$ 50,265
United States treasuries	4,906	—	—	4,906
Total marketable securities designated as available-for-sale	<u>\$ 55,171</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 55,171</u>
December 31, 2021				
Money market mutual funds	\$ 13,147	\$ —	\$ —	\$ 13,147
Total marketable securities designated as available-for-sale	<u>\$ 13,147</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13,147</u>

Interest income from marketable securities was \$193 and \$1 during the three months ended September 30, 2022 and 2021, respectively, and \$203 and \$5 during the nine months ended September 30, 2022 and 2021, respectively.

(5) Stockholder's Equity

(a) Stock Equity and Incentive Plan

The Company recognizes stock-based compensation in accordance with the provisions of ASC Topic 718, *Compensation-Stock Compensation*. On June 8, 2022, at the Company's 2022 Annual Meeting of Stockholders, the stockholders of the Company approved an amendment and restatement of the Company's current equity compensation plan to increase the number of shares of common stock reserved for issuance under the plan by 1,280 shares, from 4,800 shares to 6,080 shares (excluding rollover shares). Stock-based compensation expense was \$1,103 and \$1,031, excluding \$6 and \$11 of compensation charges related to our Amended and Restated 1996 Employee Stock Purchase Plan, or the ESPP, for the three months ended September 30, 2022 and 2021, respectively, and \$2,663 and \$2,988, excluding \$32 and \$41 of compensation charges related to ESPP, for the nine months ended September 30, 2022 and 2021, respectively. As of September 30, 2022, there was \$2,887 of total unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted-average period of 2.61 years. As of September 30, 2022, there was \$3,129 of total unrecognized compensation expense related to restricted stock awards, which is expected to be recognized over a weighted-average period of 2.44 years.

Stock Options

During the three months ended September 30, 2022, the Company issued 53 shares of common stock upon the exercise of stock options and received \$464 as payment for the exercise price. No shares were surrendered to the Company to satisfy minimum tax withholding obligations. Additionally, during the three months ended September 30, 2022, no stock options were granted and 87 stock options expired, were canceled or were forfeited.

During the nine months ended September 30, 2022, upon the net exercise of 301 stock options, the Company issued 94 shares of common stock and received \$613 as payment for the exercise price, 14 shares were surrendered to the Company to satisfy minimum tax withholding obligations, and 193 shares were cancelled. Additionally, during the nine months ended September 30, 2022, 398 stock options were granted and 416 stock options expired, were canceled or were forfeited. During the nine months ended September 30, 2021, 496 stock options were granted. The Company has estimated the fair value of each option grant on the date of grant using the Black-Scholes option-pricing model. The weighted average assumptions utilized to determine the fair value of options granted during the nine months ended September 30, 2022 are as follows:

	Nine Months Ended September 30,	
	2022	2021
Risk-free interest rate	2.97 %	0.92 %
Expected volatility	43.16 %	44.98 %
Expected life (in years)	4.24	4.28
Dividend yield	0 %	0 %

During the nine months ended September 30, 2022, there were accelerated vesting and extended exercise term modifications of stock options as it related to the retirement of Mr. Kits van Heyningen, which resulted in a reduction of approximately \$85 in compensation cost. During the three and nine months ended September 30, 2022, there were accelerated vesting term modifications of stock options for employees terminated as part of the Company's restructuring, which resulted in a reduction of approximately \$28 for the three months ended September 30, 2022 and approximately \$109 for the nine months ended September 30, 2022 in compensation cost. During the three and nine months ended September 30, 2022, there were accelerated vesting term modifications of stock options for executive employment agreements, which resulted in an acceleration of compensation expense of approximately \$72 for the three months ended September 30, 2022 and approximately \$120 for the nine months ended September 30, 2022. During the three and nine months ended September 30, 2022, there were accelerated vesting term modifications of stock options for employees transitioned as part of the sale of the Company's inertial navigation business, which resulted in an acceleration of compensation expense of approximately \$81, included in discontinued operations.

As of September 30, 2022, there were 1,808 options outstanding with a weighted average exercise price of \$9.82 per share and 844 options exercisable with a weighted average exercise price of \$10.13 per share.

Restricted Stock

During the three months ended September 30, 2022, 60 shares of restricted stock were granted with a weighted average grant date fair value of \$9.14 per share and 10 shares of restricted stock were forfeited. Additionally, during the three months ended September 30, 2022, 102 shares of restricted stock vested, of which no shares of common stock were surrendered to the Company as payment by employees in lieu of cash to satisfy minimum tax withholding obligations in connection with the vesting of restricted stock.

During the nine months ended September 30, 2022, 243 shares of restricted stock were granted with a weighted average grant date fair value of \$8.50 per share and 96 shares of restricted stock were forfeited. Additionally, during the nine months ended September 30, 2022, 249 shares of restricted stock vested, of which no shares of common stock were surrendered to the Company as payment by employees in lieu of cash to satisfy minimum tax withholding obligations in connection with the vesting of restricted stock.

As of September 30, 2022, there were 388 shares of restricted stock outstanding that were still subject to service-based vesting conditions. During the nine months ended September 30, 2022, there were accelerated vesting term modifications of restricted stock as it related to the retirement of Mr. Kits van Heyningen, which resulted in an acceleration in compensation expense of approximately \$186. During the three and nine months ended September 30, 2022, there were accelerated vesting term modifications of restricted stock for employees terminated as part of the Company's restructuring, which resulted in an acceleration in compensation expense of approximately \$31 for the three months ended September 30, 2022 and approximately \$156 for the nine months ended September 30, 2022. During the three and nine months ended September 30, 2022, there were accelerated vesting term modifications of restricted stock for executive employment agreements, which resulted in an acceleration in compensation expense of approximately \$99 for the three months ended September 30, 2022 and approximately \$167 for the nine months ended September 30, 2022. During the three and nine months ended September 30, 2022, there were accelerated vesting term modifications of restricted stock for employees transitioned as part of the sale of the Company's inertial navigation business, which resulted in an acceleration in compensation expense of approximately \$374, included in discontinued operations.

As of September 30, 2022, the Company had no unvested outstanding options and no outstanding shares of restricted stock that were subject to performance-based or market-based vesting conditions.

(b) Employee Stock Purchase Plan

The Company's ESPP affords eligible employees the right to purchase common stock, via payroll deductions, through various offering periods at a purchase price equal to 85% of the fair market value of the common stock on the first or last day of the offering period, whichever is lower. During the three and nine months ended September 30, 2022, 0 and 22 shares were issued under the ESPP plan, respectively. During the three and nine months ended September 30, 2021, 26 shares were issued under the ESPP plan. The Company recorded compensation charges related to the ESPP of \$6 and \$11 for the three months ended September 30, 2022 and 2021, respectively, and \$32 and \$41 for the nine months ended September 30, 2022 and 2021, respectively.

(c) Stock-Based Compensation Expense

The following table presents stock-based compensation expense, including under the ESPP, in the Company's consolidated statements of operations for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cost of product sales	\$ 333	\$ 78	\$ 468	\$ 194
Cost of service sales	3	3	8	8
Research and development	371	150	702	491
Sales, marketing and support	14	239	225	664
General and administrative	388	572	1,292	1,672
	<u>\$ 1,109</u>	<u>\$ 1,042</u>	<u>\$ 2,695</u>	<u>\$ 3,029</u>

(d) Accumulated Other Comprehensive Loss (AOCL)

Comprehensive loss includes net loss and unrealized gains and losses from foreign currency translation. The components of the Company's comprehensive loss and the effect on earnings for the periods presented are detailed in the accompanying consolidated statements of comprehensive loss.

The balances for the three months ended September 30, 2022 and 2021 are as follows:

	Foreign Currency Translation	Total Accumulated Other Comprehensive Loss
Balance, June 30, 2022	\$ (4,021)	\$ (4,021)
Other comprehensive loss	(646)	(646)
Net other comprehensive loss	(646)	(646)
Balance, September 30, 2022	\$ (4,667)	\$ (4,667)
	Foreign Currency Translation	Total Accumulated Other Comprehensive Loss
Balance, June 30, 2021	\$ (2,968)	\$ (2,968)
Other comprehensive loss	(370)	(370)
Net other comprehensive loss	(370)	(370)
Balance, September 30, 2021	\$ (3,338)	\$ (3,338)

The balances for the nine months ended September 30, 2022 and 2021 are as follows:

	Foreign Currency Translation	Total Accumulated Other Comprehensive Loss
Balance, December 31, 2021	\$ (3,409)	\$ (3,409)
Other comprehensive loss	(1,258)	(1,258)
Net other comprehensive loss	(1,258)	(1,258)
Balance, September 30, 2022	\$ (4,667)	\$ (4,667)

	Foreign Currency Translation	Total Accumulated Other Comprehensive Loss
Balance, December 31, 2020	\$ (3,232)	\$ (3,232)
Other comprehensive loss	(106)	(106)
Net other comprehensive loss	(106)	(106)
Balance, September 30, 2021	\$ (3,338)	\$ (3,338)

(6) Net (Loss) Income from Continuing Operations per Common Share

Basic net (loss) income per share is calculated based on the weighted average number of common shares outstanding during the period. Diluted net income per share incorporates the dilutive effect of common stock equivalent options, warrants and other convertible securities, if any, as determined with the treasury stock accounting method. For the three and nine months ended September 30, 2022, since there was a net loss from continuing operations, the Company excluded all 1,572 and 1,763, respectively, in outstanding stock options and non-vested restricted shares from its diluted loss per share calculation, as inclusion of these securities would have reduced the net loss per share. For the nine months ended September 30, 2021, since there was a net loss from continuing operations, the Company excluded all 756 in outstanding stock options and non-vested restricted shares from its diluted loss per share calculation, as inclusion of these securities would have reduced the net loss per share.

A reconciliation of the basic and diluted weighted average common shares outstanding is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Weighted average common shares outstanding—basic	18,706	18,341	18,574	18,152
Dilutive common shares issuable in connection with stock plans	—	225	—	—
Weighted average common shares outstanding—diluted	18,706	18,566	18,574	18,152

(7) Inventories

Inventories, net are stated at the lower of cost and net realizable value using the first-in first-out costing method. Inventories as of September 30, 2022 and December 31, 2021 include the costs of material, labor, and factory overhead. Components of inventories consist of the following:

	September 30, 2022	December 31, 2021
Raw materials	\$ 14,974	\$ 9,412
Work in process	4,473	2,861
Finished goods	4,431	3,560
	\$ 23,878	\$ 15,833

(8) Property and Equipment

Property and equipment, net, as of September 30, 2022 and December 31, 2021 consist of the following:

	September 30, 2022	December 31, 2021
Land	\$ 2,833	\$ 2,833
Building and improvements	18,839	18,822
Leasehold improvements	455	472
Machinery and equipment	5,683	5,233
Revenue-generating assets	70,292	63,587
Office and computer equipment	14,377	14,633
Motor vehicles	31	31
	<u>112,510</u>	<u>105,611</u>
Less accumulated depreciation	<u>(59,580)</u>	<u>(52,666)</u>
	<u>\$ 52,930</u>	<u>\$ 52,945</u>

Depreciation expense was \$3,239 and \$3,179 for the three months ended September 30, 2022 and 2021, respectively, and \$9,542 and \$8,918 for the nine months ended September 30, 2022 and 2021, respectively.

Certain revenue-generating hardware assets are utilized by the Company in the delivery of the Company's airtime services, media and other content.

(9) Product Warranty

The Company's products carry standard limited warranties that range from one to two years and vary by product. The warranty period begins on the date of retail purchase or lease by the original purchaser. The Company accrues estimated product warranty costs at the time of sale and any additional amounts are recorded when such costs are probable and can be reasonably estimated. Factors that affect the Company's warranty liability include the number of units sold or leased, historical and anticipated rates of warranty repairs and the cost per repair. Warranty and related costs are reflected within sales, marketing and support in the accompanying consolidated statements of operations. As of September 30, 2022 and December 31, 2021, the Company had accrued product warranty costs of \$1,284 and \$1,084, respectively.

The following table summarizes product warranty activity during 2022 and 2021:

	Nine Months Ended September 30,	
	2022	2021
Beginning balance	\$ 1,084	\$ 1,725
Charges to expense	964	280
Costs incurred	<u>(764)</u>	<u>(786)</u>
Ending balance	<u>\$ 1,284</u>	<u>\$ 1,219</u>

(10) Debt

Paycheck Protection Program Loan

In May 2020, the Company received a \$6,927 loan (the PPP Loan) from Bank of America, N.A., (the Lender) under the Paycheck Protection Program (PPP), which was established under the Coronavirus Aid, Relief, and Economic Security Act (as modified by the Paycheck Protection Flexibility Act of 2020, the CARES Act) and is administered by the U.S. Small Business Administration (the SBA).

The term of the PPP Loan was two years from the funding date, and the interest rate was 1.00%. Interest on the loan accrued from the funding date, but was deferred. In August 2021, the Company applied for forgiveness of the full amount of the PPP Loan. On September 24, 2021, the Company received notification from the Lender that, on September 19, 2021, the SBA had determined that the PPP Loan forgiveness application was approved, and the PPP Loan, including all accrued interest thereon, was paid in full by the SBA. The forgiveness of the PPP Loan is recognized in other income, net in the accompanying consolidated statements of operations for the three and nine months ended September 30, 2021.

Line of Credit

On August 9, 2022, the Company terminated the 2018 Credit Agreement and the related security and pledge agreements with Bank of America, N.A., as Administrative Agent. At the time of termination, no borrowings were outstanding under the 2018 Credit Agreement. With the termination of this agreement, all associated liens were released.

(11) Segment Reporting

The Company operates as one reportable segment as a result of the sale of its inertial navigation business on August 9, 2022.

The Company's performance is impacted by the levels of activity in the marine and land mobile markets, among others. Performance in any particular period could be impacted by the timing of sales to certain large customers.

The Company primarily manufactures and distributes a comprehensive family of mobile satellite antenna products and services that provide access to television, the Internet and voice services while on the move. Product sales accounted for 19% and 20% of the Company's consolidated net sales for the three months ended September 30, 2022 and 2021, respectively, and 19% and 22% of the Company's consolidated net sales for the nine months ended September 30, 2022 and 2021, respectively. Service sales of mini-VSAT Broadband airtime service accounted for 76% and 72% of the Company's consolidated net sales for the three months ended September 30, 2022 and 2021, respectively, and 74% and 70% of the Company's consolidated net sales for the nine months ended September 30, 2022 and 2021, respectively. The balance of service sales are comprised of distribution of commercially licensed entertainment, product repairs, and extended warranty sales.

No other single product class accounts for 10% or more of the Company's consolidated net sales.

The Company operates in a number of major geographic areas, including internationally. Revenues from international locations primarily include Singapore, Canada, European Union countries, and other European countries, as well as countries in Africa, Asia/Pacific, the Middle East, and India. Revenues are based upon customer location and internationally represented 62% and 58% of consolidated net sales for the three months ended September 30, 2022 and 2021, respectively, and 61% and 58% of consolidated net sales for the nine months ended September 30, 2022 and 2021, respectively. Sales to Singapore customers represented 17% and 14% of the Company's consolidated net sales for the three months ended September 30, 2022 and 2021, respectively. No other individual foreign country represented 10% or more of the Company's consolidated net sales for the three months ended September 30, 2022 and 2021. Sales to Singapore customers represented 16% and 13% of the Company's consolidated net sales for the nine months ended September 30, 2022 and 2021, respectively. No other individual foreign country represented 10% or more of the Company's consolidated net sales for the nine months ended September 30, 2022 and 2021.

As of September 30, 2022 and December 31, 2021, the long-lived tangible assets related to the Company's international subsidiaries were less than 10% of the Company's long-lived tangible assets.

(12) Legal Matters

In the ordinary course of business, the Company is a party to inquiries, legal proceedings and claims including, from time to time, disagreements with vendors and customers. The Company is not a party to any lawsuit or proceeding that, in management's opinion, is likely to materially harm the Company's business, results of operations, financial condition, or cash flows.

(13) Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Company's Level 1 assets are investments in money market mutual funds and United States treasuries.
- Level 2: Quoted prices for similar assets or liabilities in active markets; or observable prices that are based on observable market data, based on directly or indirectly market-corroborated inputs. The Company has no Level 2 assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity, and are developed based on the best information available given the circumstances. The Company has no Level 3 assets.

Assets and liabilities measured at fair value are based on the valuation techniques identified in the table below.

The following tables present financial assets and liabilities at September 30, 2022 and December 31, 2021 for which the Company measures fair value on a recurring basis, by level, within the fair value hierarchy:

September 30, 2022	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Money market mutual funds	\$ 50,265	\$ 50,265	\$ —	\$ —	
United States treasuries	4,906	4,906	—	—	

December 31, 2021	Total	Level 1	Level 2	Level 3	Valuation Technique
Assets					
Money market mutual funds	\$ 13,147	\$ 13,147	\$ —	\$ —	(a)

(a) Market approach—prices and other relevant information generated by market transactions involving identical or comparable assets.

The carrying amount of certain financial instruments approximates fair value due to their short-term, highly liquid nature. These instruments include cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses. The carrying amount of the Company's operating and financing lease liabilities approximates fair value based on currently available quoted rates of similarly structured borrowings.

Assets Measured and Recorded at Fair Value on a Nonrecurring Basis

The Company's non-financial assets, such as goodwill, intangible assets, and other long-lived assets resulting from business combinations, are measured at fair value using income approach valuation methodologies at the date of acquisition and subsequently re-measured if indications of impairment exist. There was no impairment of the Company's non-financial assets noted as of September 30, 2022. The Company does not have any liabilities that are recorded at fair value on a non-recurring basis.

(14) Goodwill and Intangible Assets

Goodwill

The following table sets forth the changes in the carrying amount of goodwill for the nine months ended September 30, 2022:

	Amounts
Balance at December 31, 2021	\$ 6,570
Sale of KVH Media Group Entertainment Limited	(1,038)
Foreign currency translation adjustment	(295)
Balance at September 30, 2022	<u>\$ 5,237</u>

Intangible Assets

The changes in the carrying amount of intangible assets during the nine months ended September 30, 2022 are as follows:

	Amounts
Balance at December 31, 2021	\$ 1,287
Amortization expense	(409)
Intangible assets acquired in asset acquisition	42
Sale of KVH Media Group Entertainment Limited	(352)
Foreign currency translation adjustment	(101)
Balance at September 30, 2022	<u>\$ 467</u>

Intangible assets arose from the acquisition of KVH Media Group (acquired as Headland Media Limited) in May 2013. These intangible assets are being amortized on a straight-line basis over the estimated useful life of 10 years for acquired subscriber relationships. The intangible assets were recorded in pounds sterling and fluctuations in exchange rates cause these amounts to increase or decrease from time to time. As a result of the sale of KVH Media Group Entertainment Limited in April 2022, the Company determined the goodwill and intangible assets associated with this business based on an income approach which estimated the fair value of the reporting unit before and after the sale, and included such amounts in the determination of the gain on sale of the subsidiary.

In January 2017, the Company completed the acquisition of certain subscriber relationships from a third party. This acquisition did not meet the definition of a business under ASC 2017-01, *Business Combinations (Topic 805)-Clarifying the Definition of a Business*, which the Company adopted on October 1, 2016. The Company ascribed \$100 of the initial purchase price to the acquired subscriber relationships definite-lived intangible assets with an initial estimated useful life of 10 years. Under the asset purchase agreement, the purchase price includes a component of contingent consideration under which the Company is required to pay a percentage of recurring revenues received from the acquired subscriber relationships through 2026 up to a maximum annual payment of \$114. As of September 30, 2022, the carrying value of the intangible assets acquired in the asset acquisition was \$450. As the acquisition did not represent a business combination, the contingent consideration arrangement is recognized only when the contingency is resolved and the consideration is paid or becomes payable. The amounts payable under the contingent consideration arrangement, if any, will be included in the measurement of the cost of the acquired subscriber relationships. An additional \$42 and \$47 of consideration was earned under the contingent consideration arrangement during the nine months ended September 30, 2022 and 2021, respectively.

Acquired intangible assets are subject to amortization. The following table summarizes acquired intangible assets at September 30, 2022 and December 31, 2021, respectively:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
September 30, 2022			
Subscriber relationships	\$ 7,624	\$ 7,157	\$ 467
Distribution rights	315	315	—
Internally developed software	446	446	—
Proprietary content	153	153	—
Intellectual property	2,284	2,284	—
	<u>\$ 10,822</u>	<u>\$ 10,355</u>	<u>\$ 467</u>
December 31, 2021			
Subscriber relationships	\$ 8,033	\$ 6,746	\$ 1,287
Distribution rights	315	315	—
Internally developed software	446	446	—
Proprietary content	153	153	—
Intellectual property	2,284	2,284	—
	<u>\$ 11,231</u>	<u>\$ 9,944</u>	<u>\$ 1,287</u>

Amortization expense related to intangible assets was \$90 and \$277 for the three months ended September 30, 2022, respectively, and \$409 and \$833 for the nine months ended September 30, 2022 and 2021, respectively. Amortization expense was categorized as general and administrative expense.

As of September 30, 2022, the total weighted average remaining useful lives of the definite-lived intangible assets was 3.2 years.

Estimated future amortization expense remaining at September 30, 2022 for intangible assets acquired was as follows:

Years ending December 31,

Remainder of 2022	\$	87
2023		168
2024		68
2025		68
2026		68
Thereafter		8
Total future amortization expense	<u>\$</u>	<u>467</u>

For definite-lived intangible assets, the Company assesses the carrying value of these assets whenever events or circumstances indicate that the carrying value may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of an asset, or asset group, to the future undiscounted cash flows expected to be generated by the asset, or asset group. There were no events or changes in circumstances during the nine months ended September 30, 2022 which indicated that an assessment of the impairment of goodwill and intangible assets was required.

(15) Revenue from Contracts with Customers (ASC 606)

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised products and services. The amount of revenue recognized reflects the consideration which the Company expects to be entitled to receive in exchange for these products and services.

Disaggregation of Revenue for Continuing Operations

The following table summarizes net sales from contracts with customers for the three and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Product, transferred at point in time	\$ 5,974	\$ 6,361	\$ 18,057	\$ 19,741
Product, transferred over time	651	490	1,751	2,047
Service	28,544	27,537	83,065	76,862
Total net sales	<u>\$ 35,169</u>	<u>\$ 34,388</u>	<u>\$ 102,873</u>	<u>\$ 98,650</u>

Revenue recognized during the three months ended September 30, 2022 and 2021 from amounts included in contract liabilities at the beginning of the period was \$572 and \$430, respectively. Revenue recognized during the nine months ended September 30, 2022 and 2021 from amounts included in contract liabilities at the beginning of the period was \$1,645 and \$1,899, respectively.

For product sales, the delivery of the Company's performance obligations are generally transferred to the customer, and associated revenue is recognized, at a point in time, with the exception of certain mini-VSAT contracts which are transferred to customers over time. For service sales, the delivery of the Company's performance obligations are transferred to the customer, and associated revenue is recognized, over time.

Business and Credit Concentrations

Concentrations of risk with respect to trade accounts receivable are generally limited due to the large number of customers and their dispersion across several geographic areas. Although the Company does not foresee that credit risk associated with these receivables will deviate from historical experience, repayment is dependent upon the financial stability of those individual customers. The Company establishes allowances for potential bad debts and evaluates, on a monthly basis, the adequacy of those reserves based upon historical experience and its expectations for future collectability concerns. The Company performs ongoing credit evaluations of the financial condition of its customers and generally does not require collateral.

No single customer accounted for 10% or more of consolidated net sales for the nine months ended September 30, 2022 or 2021. One customer accounted for 17% of accounts receivable at September 30, 2022. Two customers accounted for approximately 16% and 14% of accounts receivable at December 31, 2021. One customer accounted for 63% and 54% of long-term accounts receivable included in other non-current assets on the consolidated balance sheets related to sales-type leases at September 30, 2022 and December 31, 2021, respectively.

Certain components from third parties used in the Company's products are procured from single sources of supply. The failure of a supplier, including a subcontractor, to deliver on schedule could delay or interrupt the Company's delivery of products and thereby materially adversely affect the Company's revenues and operating results.

(16) Income Taxes

The Company's effective tax rate from continuing operations for the three and nine months ended September 30, 2022 was (578.6)% and (16.5)%, respectively, compared with 0.4% and 0.7% for the corresponding period in the prior year. The effective income tax rate is based on estimated income for the year, the estimated composition of the income in different jurisdictions and discrete adjustments, if any, in the applicable periods, including retroactive changes in tax legislation, settlements of tax audits or assessments, and the resolution or identification of tax position uncertainties.

For the three and nine months ended September 30, 2022 and 2021, the effective tax rates from continuing operations were lower than the statutory tax rate primarily due to the Company maintaining a valuation allowance reserve on its U.S. deferred tax assets, the composition of income from foreign jurisdictions taxed at lower rates and foreign withholding taxes on payments to the U.S.

As of September 30, 2022 and December 31, 2021, the Company had reserves for uncertain tax positions of \$624 and \$592, respectively. There were no material changes during the nine months ended September 30, 2022 to the Company's reserve for uncertain tax positions. The Company estimates that it is reasonably possible that the balance of unrecognized tax benefits as of September 30, 2022 may decrease \$20 in the next twelve months as a result of a lapse of statutes of limitations and settlements with taxing authorities.

The Company's tax jurisdictions include the United States, the United Kingdom, Denmark, Cyprus, Norway, Brazil, Singapore, Japan and India. In general, the statute of limitations with respect to the Company's United States federal income taxes has expired for years prior to 2019, and the relevant state and foreign statutes vary. However, preceding years remain open to examination by United States federal and state and foreign taxing authorities to the extent of future utilization of net operating losses and research and development tax credits generated in each preceding year.

(17) Leases

Lessee

The Company has operating leases for office facilities, equipment, and satellite service capacity and related equipment. Lease expense from continuing operations was \$507 and \$920 for the three months ended September 30, 2022 and 2021, respectively, and was \$1,588 and \$2,824 for the nine months ended September 30, 2022 and 2021, respectively. Short-term operating lease costs were \$41 and \$66 for the three months ended September 30, 2022 and 2021, respectively, and were \$139 and \$181 for the nine months ended September 30, 2022 and 2021, respectively. Maturities of lease liabilities as of September 30, 2022 under operating leases having an initial or remaining non-cancelable term of one year or more are as follows:

Remainder of 2022	\$	43
2023		74
2024		30
2025		
Total minimum lease payments	\$	1,49
Less amount representing interest	\$	(6)
Present value of net minimum operating lease payments	\$	1,43
Less current installments of obligation under current-operating lease liabilities	\$	96
Obligations under long-term operating lease liabilities, excluding current installments	\$	47
Weighted-average remaining lease term - operating leases (years)		5.5
Weighted-average discount rate - operating leases		5.5

During the first quarter of 2018, the Company entered into a five-year financing lease for three satellite hubs for its HTS network. During the first quarter of 2021, the terms of this lease were adjusted and the Company discontinued use of two satellite hubs and was released from the related payment obligation in exchange for additional satellite service capacity. As of September 30, 2022, the gross cost and accumulated amortization associated with this lease for the remaining satellite hub is included in revenue generating assets and amounted to \$1,268 and \$846, respectively. The obligation under capital leases are stated at the present value of minimum lease payments.

The property and equipment held under this financing lease are amortized on a straight-line basis over the seven-year estimated useful life of the asset, since the lease meets the bargain purchase option criteria. Amortization of assets held under financing leases is included within depreciation expense. Depreciation expense for the remaining capital assets was \$45 for both the three months ended September 30, 2022 and 2021 and was \$136 for both the nine months ended September 30, 2022 and 2021.

The future minimum lease payments under this financing lease as of September 30, 2022 are:

Remainder of 2022	\$	66
2023		22
Total minimum lease payments	\$	88
Less amount representing interest	\$	—
Present value of net minimum financing lease payments	\$	88
Less current installments of obligation under accrued other	\$	88
Obligations under other long-term liabilities, excluding current installments	\$	—
Weighted-average remaining lease term - finance leases (years)		0.42
Weighted-average discount rate - finance leases		1.53 %

Lessor

The Company enters into leases with certain customers primarily for the TracPhone mini-VSAT systems. These leases are classified as sales-type leases as title of the equipment transfers to the customer at the end of the lease term. The Company records the leases at a price typically equivalent to normal selling price and in excess of the cost or carrying amount. Upon delivery, the Company records the net present value of all payments under these leases as product revenue, and the related costs of the product are charged to cost of sales. Interest income is recognized throughout the lease term (typically three to five years) using an implicit interest rate. The sales-type leases do not have unguaranteed residual assets.

The current portion of the net investment in these leases was \$3,911 as of September 30, 2022 and the non-current portion of the net investment in these leases was \$5,059 as of September 30, 2022. The current portion of the net investment in the leases is included in accounts receivable, net of allowance for doubtful accounts on the accompanying consolidated balance sheets and the non-current portion of the net investment in these leases is included in other non-current assets on the accompanying consolidated balance sheets. Interest income from sales-type leases was \$191 and \$218 during the three months ended September 30, 2022 and 2021, respectively, and was \$591 and \$670 during the nine months ended September 30, 2022 and 2021, respectively.

The future undiscounted cash flows from these leases as of September 30, 2022 are:

Remainder of 2022	\$	1,6
2023		3,6
2024		2,7
2025		1,3
2026		4
2027		—
Total undiscounted cash flows	\$	10,0
Present value of lease payments	\$	8,9
Difference between undiscounted cash flows and discounted cash flows	\$	1,0

In 2021, the Company entered into three-year leases for its TracPhone mini-VSAT systems, in which ownership of the hardware does not transfer to the lessee by the end of the lease term. As a result, and in light of other factors indicated in ASC 842, these leases are classified as operating leases.

As of September 30, 2022, the gross costs and accumulated depreciation associated with these operating leases are included in revenue generating assets and amounted to \$1,856 and \$423, respectively. They are depreciated on a straight-line basis over a five-year estimated useful life. Depreciation expense for these assets was \$96 and \$267 for the three and nine months ended September 30, 2022, respectively.

Lease revenue recognized was \$141 and \$400 for the three and nine months ended September 30, 2022, respectively.

As of September 30, 2022, minimum future lease payments to be recognized on the operating leases are as follows:

Remainder of 2022	\$	2
2023		4
2024		3
2025		
Total	\$	<u>1,1</u>

(18) Discontinued Operations

During the third quarter of 2022, the Company sold its inertial navigation business. The Company determined that the sale met the requirements for reporting as discontinued operations in accordance with Accounting Standards Codification (ASC) 205-20. Please see Note 1 for further discussion. The following table presents a reconciliation of the carrying amounts of major classes of assets and liabilities of the discontinued operations to the amounts presented separately in the Company's consolidated balance sheet:

	December 31, 2021
Accounts receivable, net	\$ 5,8
Inventories, net	8,8
Prepaid expenses and other current assets	1,1
Current assets held for sale	\$ 15,8
Property and equipment, net	7,1
Non-current assets held for sale	\$ 7,1
Accounts payable	1,7
Accrued compensation and employee-related expenses	9
Accrued other	9
Accrued product warranty costs	
Contract liabilities	2
Current liabilities held for sale	\$ 3,9
Other long-term liabilities	
Non-current liabilities held for sale	\$
Net assets held for sale	19,0

The following table presents a reconciliation of the major financial line items constituting the results for discontinued operations to the net income from discontinued operations, net of tax, presented separately in the Company's consolidated statements of operations (through August 9, 2022, the date the inertial navigation business was sold):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Sales:				
Product	\$ 1,276	\$ 8,388	\$ 16,042	\$ 29,152
Service	218	208	679	837
Net sales	<u>1,494</u>	<u>8,596</u>	<u>16,721</u>	<u>29,989</u>
Costs and expenses:				
Costs of product sales	1,504	5,341	12,732	17,168
Costs of service sales	169	173	457	750
Research and development	374	1,507	3,147	5,137
Sales, marketing and support	348	1,261	3,035	3,885
Other income, net	12	34	81	101
(Loss) income from discontinued operations before income tax expense	(889)	348	(2,569)	3,150
Gain on sale of discontinued operations before tax expense	30,858	—	30,858	—
Total income from discontinued operations before tax expense	<u>\$ 29,969</u>	<u>\$ 348</u>	<u>\$ 28,289</u>	<u>\$ 3,150</u>
Income tax expense on discontinued operations	228	—	228	—
Net income from discontinued operations, net of tax	<u>\$ 29,741</u>	<u>\$ 348</u>	<u>\$ 28,061</u>	<u>\$ 3,150</u>
Net income from discontinued operations per common share				
Basic	<u>\$ 1.59</u>	<u>\$ 0.02</u>	<u>\$ 1.51</u>	<u>\$ 0.17</u>
Diluted	<u>\$ 1.59</u>	<u>\$ 0.02</u>	<u>\$ 1.51</u>	<u>\$ 0.17</u>
Weighted average number of common shares outstanding:				
Basic	<u>18,706</u>	<u>18,341</u>	<u>18,574</u>	<u>18,152</u>
Diluted	<u>18,706</u>	<u>18,566</u>	<u>18,574</u>	<u>18,152</u>

The following table presents supplemental cash flow information of the discontinued operations:

	Nine Months Ended September 30,	
	2022	2021
Cash (used in) provided by operating activities-discontinued operations	\$ (3,853)	\$ 3,364
Cash used in investing activities-discontinued operations	\$ (307)	\$ (846)

The following table presents non-cash expenses from discontinued operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Depreciation	\$ 269	\$ 353	\$ 805	\$ 1,02
Compensation expense related to stock-based awards and employee stock purchase plan	\$ 380	\$ 207	\$ 580	\$ 40

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The statements included in this quarterly report on Form 10-Q, other than statements of historical fact, are forward-looking statements. Examples of forward-looking statements include statements regarding our future financial results, operating results, business strategies, projected costs, products and services, competitive positions and plans, customer preferences, consumer trends, anticipated product development, and objectives of management for future operations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "would," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Any expectations based on these forward-looking statements are subject to risks and uncertainties and other important factors, including those discussed in the section entitled "Risk Factors" in Item 1A of Part II of this quarterly report on Form 10-Q. These and many other factors could affect our future financial and operating results and could cause actual results to differ materially from expectations based on forward-looking statements made in this document or elsewhere by us or on our behalf. For example, our expectations regarding certain items as a percentage of sales assume that we will achieve our anticipated sales goals. The following discussion and analysis should be read in conjunction with our consolidated interim financial statements and related notes appearing elsewhere in this report.

Overview

We design, develop, manufacture and market mobile connectivity products and services for the marine and land mobile markets. We manufacture and sell our solutions in a number of major geographic areas, including internationally. We generate a majority of our revenues from various international locations, primarily consisting of Singapore, Canada, countries in Europe, countries in Africa, other Asia/Pacific countries, the Middle East, and India.

We offer satellite communications products and services. Our satellite-only and hybrid products enable marine customers to receive data, voice, and value-added services via satellite, cellular, and shore-based Wi-Fi networks onboard commercial, leisure, and military/government vessels. In addition, the Company's in-motion television terminals permit customers to receive live digital television via regional satellite services in marine vessels, recreational vehicles, buses and automobiles. We sell our products through an extensive international network of dealers and distributors. We also sell and lease products to service providers and end users.

Our service sales represent primarily revenue earned from satellite Internet airtime services. We provide, for monthly fixed fees and per-usage fees, satellite connectivity encompassing broadband Internet, data and Voice over Internet Protocol (VoIP) services, to our TracNet-H series and TracPhone V-series customers via our global high-throughput satellite (HTS) network. Cellular airtime service increasingly supplements our satellite-only airtime revenue following the mid-2022 launch of the KVH ONE hybrid network and TracNet H-series terminals. This product and service combination integrates global satellite service with KVH-provided cellular service in more than 150 countries, along with shore-based Wi-Fi access. These sales also include the distribution of entertainment, including news, sports, music, and movies, to commercial customers in the maritime, hotel, and retail markets through KVH Media Group, along with supplemental value-added services. In addition, we earn monthly usage fees for third-party satellite connectivity for voice, data and Internet services to our Inmarsat and Iridium customers who choose to activate their subscriptions with us. Service sales also include sales from product repairs and extended warranty sales.

Our marine leisure business is highly seasonal, and seasonality can also impact our commercial marine business. Historically, we have generated the majority of our marine leisure product revenues during the first and second quarters of each year, and these revenues typically decline in the third and fourth quarters of each year, compared to the first two quarters. Temporary suspensions of our airtime services typically increase in the third and fourth quarters of each year as boats are placed out of service during the winter months.

Dispositions; Termination of Credit Facility

On August 9, 2022, we sold our inertial navigation business to EMCORE Corporation for gross proceeds of \$55.0 million, less specified deductions and a holdback of \$1.0 million and subject to a working capital adjustment. The holdback was released to us on August 17, 2022. On August 9, 2022, we also entered into a Transition Services Agreement with EMCORE, pursuant to which we agreed to provide certain transition services to support the continued operation of the inertial navigation business for a specified period of time following the sale. The working capital adjustment is in the process of being finalized. This adjustment will be finalized in the fourth quarter of 2022. We do not have any continuing involvement in these operations other than short-term transition services, which are being recorded in other income in continuing operations. We determined that the sale met the requirements for reporting as discontinued operations in accordance with Accounting Standards Codification (ASC) 205-20.

On August 9, 2022, we also terminated our senior secured credit facility agreement (the 2018 Credit Agreement) and the related security and pledge agreements with Bank of America, N.A., as Administrative Agent. At the time of termination, no borrowings were outstanding under the 2018 Credit Agreement. With the termination of this agreement, all associated liens were released.

On April 29, 2022, KVH Media Group Limited, our wholly owned subsidiary, sold its subsidiary KVH Media Group Entertainment Limited for net cash proceeds of approximately \$2.4 million. This transaction did not meet the criteria for reporting as discontinued operations under ASC 205-20. We recorded a gain on the sale of approximately \$0.6 million, which is recorded in other income, net in the accompanying consolidated statements of operations. See Note 14 to our consolidated interim financial statements for the reduction of goodwill and intangibles associated with the KVH Media Group reporting unit as it relates to the sale of this subsidiary.

Management Transition and Restructuring

On March 7, 2022, we announced that our President and Chief Executive Officer, Martin Kits van Heyningen, was retiring from his executive and Board roles after more than 40 years of service and assuming a consulting position with us. Brent C. Bruun, our then Chief Operating Officer, was appointed as our interim President and Chief Executive Officer. Subsequently, on June 15, 2022, he was appointed as our President and Chief Executive Officer and as a Class II member of the Board of Directors. We have incurred approximately \$0.7 million of costs associated with the management transition through September 30, 2022, including a separation payment, consulting fees and health insurance coverage for Mr. Kits van Heyningen, as well as professional and advisory fees, and expect to continue to incur ongoing compensation expenses until March 2023. Approximately \$0.3 million is accrued as of September 30, 2022.

In March 2022, we also restructured our operations to reduce costs and better pursue a more focused strategy. We reduced our workforce by approximately 10% and began incurring reduced expenses from these actions beginning in the second quarter of 2022. Approximately \$2.2 million of severance payments, other employee benefits, and legal and advisory fees were incurred for the nine months ended September 30, 2022. We expect to incur an additional \$0.1 million in severance payments and other employee benefit costs through December 31, 2022 arising from this restructuring. We also modified impacted employee's stock option and restricted stock awards. Please see Note 5 to our consolidated interim financial statements for further discussion.

For the three months ended September 30, 2022, we restructured our foreign operations by closing our India and Cyprus offices and our Denmark warehouse to reduce costs. Approximately \$0.4 million of severance payments, other employee benefits, and legal and advisory fees were incurred for the three and nine months ended September 30, 2022. We expect to incur an additional \$0.1 million in severance payments and other employee benefit costs through December 31, 2022 arising from this restructuring.

Executive Employment Agreements

In May 2022, we entered into executive employment agreements with each of Brent C. Bruun, Roger A. Kuebel, Felise Feingold and Robert Balog in order to retain their services and provide them with certain benefits in the event that we terminate the executive's employment without cause (as defined in the agreement) or the executive terminates his or her employment for good reason (as defined in the agreement) (either such termination, a "Qualifying Termination"), including following a change of control. The terms of the agreements are substantially identical except as to title, salary, target bonus and reporting responsibilities. The agreements provide that, if the executive continues to serve as an employee through December 31, 2022 (the "Retention Date"), we will pay the executive a retention bonus equal to 75% of the executive's base salary at the agreement date, and we will accelerate the vesting of the executive's equity awards that would otherwise have vested in the twelve months after the Retention Date. Please see Note 5 to our consolidated interim financial statements for further discussion regarding the equity compensation modifications. If a Qualifying Termination occurs before December 31, 2022, the executive will receive a pro rata portion of the retention bonus. If in connection with such a termination the executive becomes entitled to receive the change in control severance payments and benefits, the executive will also become entitled to receive the full retention bonus, and the Retention Date will be the later of the date of such change in control or such termination of employment.

On October 11, 2022, we entered into an amendment to the employment agreement with Mr. Bruun that, among other things, increased his annual base salary to \$448 per year, retroactive to July 1, 2022, increased his target annual incentive compensation for the second half of 2022 to 80% of his base salary (without changing his target annual incentive compensation for the first half of 2022), extended his Retention Date from December 31, 2022 to December 31, 2023, which effectively extended the period during which Mr. Bruun must remain employed by us in order to earn his retention bonus, and modified the amount of the retention bonus from 75% of his base salary in effect on May 2, 2022 to 75% of the highest base salary in effect for Mr. Bruun on or before the date he becomes entitled to receive the retention bonus or the "Partial Retention Bonus" (as defined in the employment agreement). The amendment did not modify the terms of the employment agreement relating to acceleration of vesting of certain equity awards if Mr. Bruun remains employed by us through December 31, 2022. As of September 30, 2022, we accrued approximately \$0.6 million for the executive employment agreements.

In addition to the amendment to Mr. Bruun's employment agreement, the Compensation Committee also granted Mr. Bruun a restricted stock award and a non-statutory stock option, which together had an aggregate grant date fair value of approximately \$100,000. The restricted stock award and the non-statutory stock option have terms that are materially consistent with the previously disclosed terms of similar grants to our executive officers.

Supply Chain

During the nine months ended September 30, 2022, we continued to experience delays in the availability and delivery of certain raw material components, which has impacted our manufacturing as well as resulted in shipping delays in getting products out to our customers. We also experienced increase in raw material costs, which we expect to continue throughout 2022. We are continuing to monitor global developments and are prepared to implement any actions that we determine to be necessary to sustain our business.

International Sales

We operate in a number of major geographic areas across the globe. We generate our international net sales, based upon customer location, primarily from customers located in Singapore, Canada, European Union countries, and other European countries, as well as countries in Africa, Asia/Pacific, the Middle East, and India. International revenues represented 62% and 58% of our consolidated net sales for the three months ended September 30, 2022 and 2021, respectively, and 61% and 58% of our consolidated net sales for the nine months ended September 30, 2022 and 2021, respectively. Sales to Singapore customers represented 17% and 14% of our consolidated net sales for the three months ended September 30, 2022 and 2021, respectively. Sales to Singapore customers represented 16% and 13% of our consolidated net sales for the nine months ended September 30, 2022 and 2021, respectively. No other individual foreign country represented 10% or more of our consolidated net sales for the three or nine months ended September 30, 2022 and 2021.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated interim financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these interim financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosure at the date of our interim financial statements. Our significant accounting policies are summarized in Note 1 to the consolidated financial statements in our annual report on Form 10-K for the year ended December 31, 2021.

Critical accounting estimates are those estimates made that involve a significant level of estimation uncertainty and have had or are reasonably likely to have an impact on our statement of operations. As described in our annual report on Form 10-K for the year ended December 31, 2021, our accounting policies for goodwill, intangible assets, and other long-lived assets were the only estimates critical to an understanding and evaluation of our consolidated financial statements. We have reviewed our accounting policies and critical accounting estimates and determined that these remain our most critical accounting policies and estimates for the nine months ended September 30, 2022.

Readers should refer to our annual report on Form 10-K for the year ended December 31, 2021 under “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Critical Accounting Estimates” for descriptions of these policies and estimates, as well as the notes to the consolidated interim financial statements included elsewhere within this report.

Results of Operations

The following table provides, for the periods indicated, certain financial data relating to our continuing operations expressed as a percentage of net sales:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Sales:				
Product	18.8 %	19.9 %	19.3 %	22.1 %
Service	81.2	80.1	80.7	77.9
Net sales	100.0	100.0	100.0	100.0
Cost and expenses:				
Costs of product sales	19.2	16.3	16.9	17.1
Costs of service sales	43.7	48.5	44.2	48.3
Research and development	7.8	8.2	8.1	8.4
Sales, marketing and support	16.2	17.9	17.8	19.3
General and administrative	15.8	19.4	19.0	22.8
Total costs and expenses	102.7	110.3	106.0	115.9
Loss from operations	(2.7)	(10.3)	(6.0)	(15.9)
Interest income	1.1	0.6	0.8	0.7
Interest expense	—	0.1	—	0.1
Other income, net	1.6	20.4	1.5	6.3
(Loss) income from continuing operations before income tax expense (benefit)	—	10.6	(3.7)	(9.0)
Income tax expense (benefit) from continuing operations	0.2	—	0.6	(0.1)
Net (loss) income from continuing operations	(0.2)%	10.6 %	(4.3)%	(8.9)%

Three months ended September 30, 2022 and 2021

Net Sales

Our net sales for the three months ended September 30, 2022 and 2021 were as follows:

	For the three months ended		Change	
	September 30,		2022 vs. 2021	
	2022	2021	\$	%
	<i>(dollars in thousands)</i>			
Product	\$ 6,625	\$ 6,851	\$ (226)	(3)%
Service	28,544	27,537	1,007	4 %
Net sales	\$ 35,169	\$ 34,388	\$ 781	2 %

Net sales increased by \$0.8 million, or 2%, for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021. Product sales decreased by \$0.2 million, or 3%, to \$6.6 million for the three months ended September 30, 2022 from \$6.9 million for the three months ended September 30, 2021. The decrease in product sales was primarily due to a \$0.4 million decrease in mini-VSAT Broadband product sales and a \$0.2 million decrease in land mobile connectivity product sales, partially offset by a \$0.4 million increase in TracVision product sales. The decrease in mini-VSAT product sales was primarily due to a decrease in unit sales volume.

Service sales increased by \$1.0 million, or 4%, to \$28.5 million for the three months ended September 30, 2022 from \$27.5 million for the three months ended September 30, 2021. The increase was primarily due to a \$2.1 million increase in our mini-VSAT service sales, partially offset by a \$1.0 million decrease in our content service sales, primarily driven by the sale of a subsidiary in April 2022.

The shutdown of our legacy Arclight network on December 31, 2021 impacted sales of mini-VSAT products in 2021 and mini-VSAT services in 2022. During 2021, mini-VSAT product sales benefited from the demand for units needed to migrate to our HTS network before the shutdown of our legacy network. During 2022, mini-VSAT service sales have been impacted by the loss of revenue from customers who did not migrate on or before December 31, 2021. As of December 31, 2021, the monthly recurring revenue associated with those customers was approximately \$0.3 million. A number of these customers have since returned, and when combined with new customers, mini-VSAT service revenue for the three months ended September 30, 2022 was up 8% from the same quarter in 2021.

Costs of Sales

Costs of sales consists of costs of product sales and costs of service sales. Costs of sales decreased by \$0.1 million, or 1%, in the three months ended September 30, 2022 to \$22.1 million from \$22.3 million in the three months ended September 30, 2021. The decrease in costs of sales was driven by a \$1.3 million decrease in costs of service sales, partially offset by a \$1.1 million increase in costs of product sales. As a percentage of net sales, costs of sales were 63% and 65% for the three months ended September 30, 2022 and 2021, respectively.

Our costs of product sales consist primarily of materials, manufacturing overhead, and direct labor used to produce our products. For the three months ended September 30, 2022, costs of product sales increased by \$1.1 million, or 20%, to \$6.7 million from \$5.6 million in the three months ended September 30, 2021, primarily due to a \$1.3 million increase in our marine cost of product sales. As a percentage of product sales, costs of product sales were 102% and 82% for the three months ended September 30, 2022 and 2021, respectively. The increase was primarily driven by manufacturing period costs due to supply chain issues.

Our costs of service sales consist primarily of satellite service capacity, depreciation, service network overhead expense associated with our mini-VSAT Broadband network infrastructure, direct network service labor, Inmarsat service costs, product installation costs, media materials and distribution costs, and service repair materials. For the three months ended September 30, 2022, costs of service sales decreased by \$1.3 million, or 8%, to \$15.4 million from \$16.7 million for the three months ended September 30, 2021, primarily due to a \$0.7 million decrease in mini-VSAT airtime costs of service sales. This decrease was primarily driven by the shutdown of our legacy Arclight network, partially offset by an increase in costs associated with our HTS network due to increased capacity required for additional customers. In addition, there was a \$0.6 million decrease in

content services cost of service sales, primarily driven by the sale of a subsidiary in April 2022. As a percentage of service sales, costs of service sales were 54% and 61% for the three months ended September 30, 2022 and 2021, respectively.

Operating Expenses

Research and development expense consists of direct labor, materials, external consultants, and related overhead costs that support our internally funded product development and product sustaining engineering activities. Research and development expense for the three months ended September 30, 2022 decreased by \$0.1 million, or 3%, to \$2.7 million from \$2.8 million for the three months ended September 30, 2021. As a percentage of net sales, research and development expense was 8% for both the three months ended September 30, 2022 and 2021.

Sales, marketing, and support expense consists primarily of salaries and related expenses for sales and marketing personnel, commissions for both in-house and third-party representatives, costs related to the co-development of certain content, other sales and marketing support costs such as advertising, literature and promotional materials, product service personnel and support costs, warranty-related costs and bad debt expense. Sales, marketing and support expense also includes the operating expenses of our sales office subsidiaries in Denmark, Singapore, Brazil, and Japan. Sales, marketing and support expense for the three months ended September 30, 2022 decreased by \$0.5 million, or 7%, to \$5.7 million from \$6.2 million for the three months ended September 30, 2021. The decrease primarily resulted from a \$0.5 million decrease in salaries, benefits and taxes, which was driven by the reduction in our workforce in March 2022. This decrease was partially offset by a \$0.3 million increase in warranty expense. As a percentage of net sales, sales, marketing and support expense was 16% and 18% for the three months ended September 30, 2022 and 2021, respectively.

General and administrative expense consists of costs attributable to management, finance and accounting, information technology, human resources, certain outside professional services, and other administrative costs. General and administrative expense for the three months ended September 30, 2022 and 2021 decreased by \$1.1 million, or 17%, to \$5.6 million compared to \$6.7 million, respectively. The decrease primarily resulted from a \$1.1 million decrease in professional fees and a \$0.2 million decrease in amortization expense, partially offset by a \$0.4 million increase in salaries, benefits, and taxes, including executive retention agreements and stock compensation expense. As a percentage of net sales, general and administrative expense was 16% and 19% for the three months ended September 30, 2022 and 2021, respectively.

Interest and Other Income, Net

Interest income represents interest earned on our cash and cash equivalents, as well as from investments and our sale-type lease receivables. Interest income increased \$0.2 million for the three months ended September 30, 2022 to \$0.4 million from \$0.2 million for the three months ended September 30, 2021. Interest expense remained flat period-over-period at less than \$0.1 million for both of the three months ended September 30, 2022 and 2021. Other income, net decreased to other income, net of \$0.6 million for the three months ended September 30, 2022 from other income, net of \$7.0 million for the three months ended September 30, 2021 primarily due to the forgiveness of the PPP Loan during the three months ended September 30, 2021. Other income, net of \$0.6 million for the three months ended September 30, 2022 primarily relates to foreign exchange gains from our UK operations.

Income Tax Expense

Income tax expense for the three months ended September 30, 2022 was \$0.1 million and related to taxes on income earned in foreign jurisdictions. Income tax expense for the three months ended September 30, 2021 was less than \$0.1 million and related to taxes on income earned in foreign jurisdictions. The PPP Loan was forgiven during the three months ended September 30, 2021, giving rise to U.S. generated income, but these proceeds were not taxable. The operating losses incurred in the U.S. for the three months ended September 30, 2021 did not generate any income tax benefit during the quarter due to a full valuation allowance on our related deferred tax assets.

Nine months ended September 30, 2022 and 2021

Net Sales

Our net sales for the nine months ended September 30, 2022 and 2021 were as follows:

	For the nine months ended September 30,		Change	
			2022 vs. 2021	
	2022	2021	\$	%
(dollars in thousands)				
Product	\$ 19,808	\$ 21,788	\$ (1,980)	(9)%
Service	83,065	76,862	6,203	8 %
Net sales	<u>\$ 102,873</u>	<u>\$ 98,650</u>	<u>\$ 4,223</u>	<u>4 %</u>

Net sales increased by \$4.2 million, or 4%, for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021. Product sales decreased by \$2.0 million, or 9%, to \$19.8 million for the nine months ended September 30, 2022 from \$21.8 million for the nine months ended September 30, 2021. The decrease in product sales was primarily due to a \$1.5 million decrease in mini-VSAT Broadband product sales and a \$0.5 million decrease in land mobile connectivity product sales. The decrease in mini-VSAT Broadband product sales was primarily due to a decrease in unit sales volume.

Service sales increased by \$6.2 million, or 8%, to \$83.1 million for the nine months ended September 30, 2022 from \$76.9 million for the nine months ended September 30, 2021. The increase was primarily due to a \$7.5 million increase in our mini-VSAT service sales, partially offset by a \$1.4 million decrease in our content services sales, primarily driven by the sale of a subsidiary in April 2022.

Costs of Sales

Costs of sales decreased by \$1.7 million, or 3%, in the nine months ended September 30, 2022 to \$62.9 million from \$64.5 million in the nine months ended September 30, 2021. The decrease in costs of sales was driven by a \$2.1 million decrease in costs of service sales, partially offset by a \$0.5 million increase in costs of product sales. As a percentage of net sales, costs of sales were 61% and 65% for the nine months ended September 30, 2022 and 2021, respectively.

For the nine months ended September 30, 2022, costs of product sales increased by \$0.5 million, or 3%, to \$17.4 million from \$16.9 million in the nine months ended September 30, 2021, due to a \$0.9 million increase in our marine cost of product sales, partially offset by a \$0.4 million decrease in our land costs of product sales. As a percentage of product sales, costs of product sales were 88% and 78% for the nine months ended September 30, 2022 and 2021, respectively. The increase was primarily driven by product mix within our marine mobile connectivity cost of product sales.

For the nine months ended September 30, 2022, costs of service sales decreased by \$2.1 million, or 4%, to \$45.5 million from \$47.6 million for the nine months ended September 30, 2021, primarily due to a \$1.1 million decrease in mini-VSAT airtime costs of service sales. This decrease was primarily driven by the shutdown of our legacy Arclight network, partially offset by an increase in costs associated with our HTS network due to increased capacity required for additional customers. In addition, there was a \$0.9 million decrease in content services cost of service sales, primarily driven by the sale of a subsidiary in April 2022. As a percentage of service sales, costs of service sales were 55% and 62% for the nine months ended September 30, 2022 and 2021, respectively.

Operating Expenses

Research and development expense for the nine months ended September 30, 2022 increase by \$0.1 million, or 1%, to \$8.4 million from \$8.3 million for the nine months ended September 30, 2021. As a percentage of net sales, research and development expense was 8% for both the nine months ended September 30, 2022 and 2021.

Sales, marketing and support expense for the nine months ended September 30, 2022 decreased by \$0.7 million, or 4%, to \$18.4 million from \$19.0 million for the nine months ended September 30, 2021. The decrease in sales, marketing and support expense resulted primarily from a \$1.6 million decrease in salaries, benefits and taxes (excluding costs associated with the previously mentioned reduction in workforce in March 2022) and a \$0.4 million decrease in external commission expense, partially offset by additional costs of \$1.0 million related to the reduction in our workforce in March 2022 and a \$0.7 million increase in warranty expense. As a percentage of net sales, sales, marketing and support expense was 18% and 19% for the nine months ended September 30, 2022 and 2021, respectively.

General and administrative expense for the nine months ended September 30, 2022 decrease by \$3.0 million, or 13%, to \$19.5 million from \$22.5 million for the nine months ended September 30, 2021. The decrease in general and administrative expense resulted primarily from a \$4.1 million decrease in professional fees, a \$0.5 million decrease in amortization expense, and a \$0.4 million decrease in stock compensation expenses including stock modifications. The decrease in professional fees was driven by a \$3.1 million decrease in event-driven legal and advisory fees, primarily arising from a stockholder's nomination of a competing slate of directors at our annual meeting of stockholders in 2021. This decrease in expenses was partially offset by additional costs of \$0.7 million related to the reduction in our workforce in March 2022, a \$0.6 million increase in recruiting expenses, which was driven by professional fees associated with the search for a new Chief Executive Officer and replacements for two recently departed members of our board of directors, a \$0.5 million increase in expenses related to the separation and retirement of Mr. Kits van Heyningen in March 2022 and a \$0.5 million increase in compensation expense related to executive retention agreements. As a percentage of net sales, general and administrative expense was 19% and 23% for the nine months ended September 30, 2022 and 2021, respectively.

Interest and Other Income, Net

Interest income increased by \$0.1 million to \$0.8 million for the nine months ended September 30, 2022 from \$0.7 million for the nine months ended September 30, 2021. Interest expense remained flat period-over-period at less than \$0.1 million for both the nine months ended September 30, 2022 and 2021. Other income, net decreased to other income, net of \$1.6 million for the nine months ended September 30, 2022 from other income, net of \$6.2 million for the prior period primarily due to the forgiveness of the PPP Loan in 2021, partially offset by an increase in foreign exchange gains from our UK operations and the sale of KVH Media Group Entertainment Limited during the nine months ended September 30, 2022.

Income Tax Expense (Benefit)

Income tax expense for the nine months ended September 30, 2022 was \$0.6 million and related to taxes on income earned in foreign jurisdictions. Income tax benefit for the nine months ended September 30, 2021 was \$0.1 million and related to losses generated in foreign jurisdictions.

Discontinued Operations

On August 9, 2022, we sold our inertial navigation business for gross proceeds of \$55.0 million, less specified deductions and a holdback of \$1.0 million and subject to a working capital adjustment. The holdback was released to us on August 17, 2022. We determined that the sale met the requirements for reporting as discontinued operations in accordance with ASC 205-20. Accordingly, we have classified the results of the inertial navigation business as discontinued operations for all periods presented. The working capital adjustment is expected to be finalized in the fourth quarter of 2022. Please see Notes 1 and 18 for further discussion. Results for discontinued operations are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	<i>(dollars in thousands)</i>			
Sales from discontinued operations	\$ 1,494	\$ 8,596	\$ 16,721	\$ 29
Net income from discontinued operations, net of tax	\$ 29,741	\$ 348	\$ 28,061	\$ 3

Liquidity and Capital Resources

Our primary liquidity needs have been to fund general business requirements, including working capital requirements and capital expenditures. In recent years, we have funded our operations primarily from the sale of two businesses in 2022, the sale of a business in 2019, a PPP loan, cash flows from operations, bank financings and proceeds received from exercises of stock options and the issuance of stock.

In May 2020, we received a \$6.9 million loan from Bank of America, N.A. (the Lender), under the PPP, which was established under the CARES Act. Pursuant to the terms of the CARES Act, in August 2021, we applied for forgiveness of the full amount of the PPP Loan. On September 24, 2021, we received notification from the bank that, on September 19, 2021, the U.S. Small Business Administration (the SBA) had determined that the PPP Loan forgiveness application was approved, and the PPP Loan, including all accrued interest thereon, was paid in full by the SBA. The forgiveness of the PPP Loan is recognized in other income, net in the accompanying consolidated statements of operations for the three and nine months ended September 30, 2021.

On August 9, 2022, we sold our inertial navigation business to EMCORE Corporation for gross proceeds of \$55.0 million, less specified deductions and a holdback of \$1.0 million and subject to a working capital adjustment. The holdback was released to us on August 17, 2022. The working capital adjustment is expected to be finalized in the fourth quarter of 2022.

As of September 30, 2022, we had \$69.6 million in cash, cash equivalents, and marketable securities, of which \$2.2 million in cash and cash equivalents was held in local currencies by our foreign subsidiaries. Our foreign subsidiaries held no marketable securities as of September 30, 2022. As of September 30, 2022, we had \$91.2 million in working capital. Based upon our current working capital position, current operating plans and expected business conditions, we expect to have sufficient funds, through at least twelve months from the date that this report is filed with the SEC, to fund our short-term and long-term working capital requirements, including capital expenditures and contractual obligations. Our funding plans for our working capital needs and other commitments may be adversely impacted if our underlying assumptions regarding our anticipated revenues and expenses are not realized. If our operating results fail to meet our expectations, we could be required to seek additional funding through public or private financings or other arrangements. In that event, adequate funds may not be available when needed or may be available only on terms which could have a negative impact on our business and results of operations. In addition, if we raise funds by issuing equity securities, our stockholders may experience dilution.

Net cash used in operations was \$1.5 million for the nine months ended September 30, 2022 compared to net cash provided by operations of \$1.9 million for the nine months ended September 30, 2021. The \$3.4 million change in cash used in operations is primarily due to a \$26.1 million change in non-cash items, driven by the \$30.9 million gain on sale of the inertial navigation business. In addition, there was a \$9.7 million increase in cash outflows relating to inventories, a \$1.3 million decrease in cash inflows relating to accounts receivable, and a \$0.6 million increase in cash outflows related to prepaid expenses, other current assets, and current contract assets. Partially offsetting these items was a \$29.2 million increase in net income, a \$3.0 million decrease in cash outflows related to accounts payable, a \$0.9 million decrease in cash outflows related to contract liabilities and long-term contract liabilities, a \$0.8 million decrease in cash outflows related to accrued compensation, product warranty and other expenses, and a \$0.4 million decrease in cash outflows related to other non-current assets and non-current contract assets.

Net cash provided by investing activities was \$4.3 million for the nine months ended September 30, 2022 compared to net cash used in investing activities of \$7.2 million for the nine months ended September 30, 2021. The \$11.5 million change in net cash provided by investing activities was primarily the result of \$55.0 million in proceeds from the sale of the inertial navigation business, a \$4.2 million decrease in capital expenditures, and \$2.4 million in proceeds from the sale of KVH Media Group Entertainment Limited. Partially offsetting these items was a \$50.0 million net investment in marketable securities.

Net cash provided by financing activities was \$0.6 million for the nine months ended September 30, 2022 compared to net cash provided by financing activities of \$2.6 million for the nine months ended September 30, 2021. The \$2.0 million decrease in net cash provided by financing activities is primarily attributable to the \$2.1 million decrease in cash inflows relating to proceeds from stock options exercised and the employee stock purchase plan.

Borrowing Arrangements

Paycheck Protection Program Loan

In May 2020, we received a \$6.9 million loan from the Lender under the PPP, which was established under the CARES Act and is administered by the SBA. The term of the PPP Loan was two years from the funding date, and the interest rate was 1.00%. Interest on the loan accrued from the funding date, but was deferred. In August 2021, we applied for forgiveness of the full amount of the PPP Loan. On September 24, 2021, we received notification from the Lender that, on September 19, 2021, the SBA had determined that the PPP Loan forgiveness application was approved, and the PPP Loan, including all accrued interest thereon, was paid in full by the SBA. The forgiveness of the PPP Loan is recognized in other income, net in the accompanying consolidated statements of operations for the three and nine months ended September 30, 2021.

Line of Credit

On August 9, 2022, we terminated the 2018 Credit Agreement and the related security and pledge agreements with Bank of America, N.A., as Administrative Agent. At the time of termination, no borrowings were outstanding under the 2018 Credit Agreement. With the termination of this agreement, all associated liens were released.

Other Matters

We intend to continue to invest in the mini-VSAT Broadband network on a global basis. As part of the future potential capacity expansion, we plan to acquire additional satellite capacity from satellite operators, expend funds to seek regulatory approvals and permits, develop product enhancements in anticipation of the expansion, and hire additional personnel. From time to time we have entered into multi-year agreements to lease satellite capacity, and we have also purchased numerous satellite hubs to support the added capacity. These transactions can involve millions of dollars.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2022, the end of the period covered by this interim report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of September 30, 2022 as a result of the significant deficiency in our internal control over financial reporting described below.

Severity of Deficiency

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. The term material weakness means a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The term significant deficiency means a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the registrant's financial reporting.

Background – EMCORE Transaction

In the third quarter of 2022, we consummated the sale of our inertial navigation business to EMCORE Corporation ("EMCORE"). The consummation of the transaction necessitated the preparation of various historical and pro forma financial statements in addition to our usual quarterly reporting requirements.

Applicable accounting rules required that we disaggregate the inertial navigation business from our remaining business for purposes of these financial statements. This disaggregation included the separation of the assets and liabilities of the inertial

navigation business from those of our remaining business, a process we are not required to perform for segment reporting or for any other ordinary course financial reporting. Our accounting system has no functionality for this purpose. As a result, we had to rely in part upon manual procedures to perform the disaggregation. These procedures were time-consuming and prevented us from filing this quarterly report on a timely basis.

Management's Assessment of Deficiency

In assessing the effectiveness of our disclosure controls and procedures, management determined that the failure to file this quarterly report on a timely basis arose because management did not properly plan and prepare for the additional work necessitated by the disposition of the inertial navigation business. In assessing the severity of this control deficiency, management considered, among other factors, that there was no indication of a deficiency in the design or operation of any controls that would prevent or detect a material misstatement of our financial statements. Management concluded that the control deficiency constituted a significant deficiency because it resulted in a delay in the filing of this quarterly report, which merited attention by the Audit Committee of our Board of Directors and our full Board of Directors.

Remediation Efforts

To remediate this significant deficiency, management has determined that, in the event of a future, non-operating, unusual, material transaction, management will (a) determine the financial information necessary to prepare required financial statements, (b) evaluate, at the outset of such transaction, the extent of the effort required to produce that financial information, (c) further supplement its resources as necessary and (d) develop a timeline for meeting its future reporting obligations.

Changes in Internal Control over Financial Reporting

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management has evaluated changes in our internal control over financial reporting that occurred during the third quarter of 2022. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer did not identify any change in our internal control over financial reporting during the third quarter of 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. The remediation procedures described above are being implemented after the end of the third quarter of 2022.

Important Considerations

The effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the soundness of our systems, the possibility of human error, and the risk of fraud. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and the risk that the degree of compliance with policies or procedures may deteriorate over time. Because of these limitations, there can be no assurance that any system of disclosure controls and procedures or internal control over financial reporting will be successful in preventing all errors or fraud or in making all material information known in a timely manner to the appropriate levels of management.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of business, we are a party to inquiries, legal proceedings and claims including, from time to time, disagreements with vendors and customers. We are not a party to any lawsuit or proceeding that, in our opinion, is likely to materially harm our business, results of operations, financial condition, or cash flows.

ITEM 1A. RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors in evaluating our business. If any of these risks, or other risks not presently known to us or that we currently believe are not significant, develops into an actual event, then our business, financial condition and results of operations could be adversely affected. If that happens, the market price of our common stock could decline.

Risks related to our financial performance

We have a history of losses, and regaining profitability may take longer than we anticipate or may not be achievable.

We recorded substantial losses from continuing operations in the nine months ended September 30, 2022 and each of the last three fiscal years (notwithstanding the income we recognized in 2021 from the forgiveness of the PPP Loan). We may continue to incur losses as we increase satellite capacity to handle our growing subscriber base, as we continue to shift our business from a model based primarily on product sales to a model based primarily on recurring revenue, as we confront the impact of the COVID-19 pandemic (especially regarding the global chip shortage and supply chain constraints) on our business, as we incur expenses to restructure our business (including severance expenses) and as we continue to invest in research and development to improve our existing products and develop new products. In order to regain profitability, we must grow our airtime subscriber base, reduce our costs, and continue to introduce new and improved products in order to maintain and improve our competitive position and generate revenue. Our inability to accomplish any of these goals could have a material adverse effect on our revenues, profitability and cash flow, and we cannot assure you when, or whether, we will regain profitability.

Fluctuations in our quarterly net sales and results of operations could depress the market price of our common stock.

Our future net sales and results of operations could continue to vary significantly from quarter to quarter due to a number of factors, many of which are outside our control. Accordingly, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of future performance. It is possible that our net sales or results of operations in a quarter will fall below the expectations of securities analysts or investors. If this occurs, the market price of our common stock could fall significantly. Our results of operations in any quarter can fluctuate for many reasons, including changes in demand for our products and services; delays in order fulfillment, including as a result of shortages of components and raw materials; the mix of products and services we sell, including the mix of fixed rate and metered contracts for airtime services; our ability to manufacture, test and deliver products in a timely and cost-effective manner, including the availability of components and subassemblies from our suppliers; our success in winning competitions for orders; the timing of new product introductions by us or our competitors; the scope and success of our investments in research and development; expenses incurred in pursuing acquisitions and investments; expenses incurred in expanding, maintaining, or improving our mini-VSAT Broadband network; market and competitive pricing pressures; unanticipated charges or expenses, such as increases in warranty claims; expenses incurred in responding to stockholder activism; general economic climate; seasonality of pleasure boat and recreational vehicle usage; and the impact of the COVID-19 pandemic and resulting supply chain disruptions.

A large portion of our expenses, including expenses for network infrastructure, facilities, equipment, and personnel, are relatively fixed. Accordingly, if our net sales decline or do not grow as much or as quickly as we anticipate, we might be unable to maintain or improve our operating margins. Any failure to achieve anticipated net sales could therefore significantly harm our operating results for a particular fiscal period.

Additional impairments to goodwill or other intangible assets could result in significant charges against earnings.

As a result of our acquisitions, we have recorded, and may continue to record, a significant amount of goodwill and other intangible assets. Under current accounting guidelines, we must assess, at least annually and potentially more frequently, whether the value of goodwill and other intangible assets has been impaired. In 2020, our annual impairment test resulted in an impairment charge of \$10.5 million in our KVH Media reporting unit. Even after recording this impairment, our consolidated balance sheet at September 30, 2022 includes \$5.7 million of goodwill and other intangible assets, of which \$1.3 million relates to KVH Media Group. Our annual impairment analysis in the fourth quarter of 2021 did not identify any further impairments. However, there can be no assurance that our remaining goodwill and other intangible assets will not be further impaired, especially if the global COVID-19 pandemic continues to impact the markets in which our Media Group operates.

Risks related to our operations**Our future performance will depend in part on the success of our management transition.**

On March 7, 2022, we announced that our President and Chief Executive Officer, Martin Kits van Heyningen, was retiring from his executive and Board roles after more than 40 years of service. Brent C. Bruun, our then Chief Operating Officer, was appointed as our interim President and Chief Executive Officer. Subsequently, on June 15, 2022, he was appointed as our President and Chief Executive Officer and as a Class II member of the Board of Directors. Because Mr. Kits van Heyningen will no longer participate in the day-to-day management of our business, we will not have the full benefit of his long experience, expertise and familiarity with our customers and suppliers and the industries in which we participate. If we are not successful in implementing our management transition, it could be viewed negatively by our customers, employees or investors and have an adverse impact on our business. Further, these changes will increase our dependency on other members of our executive management team who remain with us. Our executive officers are at-will employees, competition is intense for executive management, and they could terminate their employment with us at any time. We do not maintain key-person life insurance on any of our personnel. Accordingly, the loss of one or more of our executive officers or key employees could have a material adverse effect on our business.

If we cannot effectively manage changes in our business and continue to attract and retain skilled personnel, our business may suffer.

We are highly dependent on the efforts and abilities of qualified personnel at all levels, including our senior management team and other key technical, operational, managerial and sales and marketing personnel, each of whom brings a valuable set of skills that would be difficult to replace. If we fail to retain and attract the necessary personnel, we may be unable to achieve our business objectives and may lose our competitive position, which could lead to a significant decline in net sales. In March 2022, we announced a change in our strategic priorities, whereby we plan to focus on our core businesses, implement greater discipline in our new product initiatives and reduce costs. We may not achieve the anticipated benefits and cost savings from this restructuring. As part of this change, we completed a reduction in force of approximately 10% to realign our workforce to match our strategic priorities. The workforce reduction required the reallocation and combination of certain roles and responsibilities across the organization. Moreover, the reduction in force may yield unintended consequences and costs, such as attrition beyond the intended reduction in force, the distraction of employees and reduced employee morale, and could adversely affect our reputation as an employer. In the first, second and third quarters of this year we incurred severance and other expenses in connection with the reduction in force, which will reduce our earnings at least in the near term. The current job market for our personnel is very competitive, resulting in increased compensation, and we face challenges in seeking to retain our continuing personnel and attract new personnel to fulfill our unmet needs. Prior to the reduction in force, we experienced increased turnover among our employees. Replacing key personnel may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully execute our business strategy, and we cannot assure you that we will be able to identify or employ qualified personnel for any such position on acceptable terms, if at all. In order to retain and attract qualified personnel, we may need to pay higher compensation than we currently expect, which would make it more difficult to achieve our goal of returning to profitability.

Further, if we are unable to adjust our operating expenses on a timely basis in response to changes in our operations, our results of operations may be harmed. To manage changes in our business effectively, we must, among other things, match our manufacturing facilities and capacity to demand for our products and services; secure appropriate satellite capacity to match changes in demand for airtime services; effectively manage our inventory and working capital; ensure robust cybersecurity protection of company and customers data and systems; and ensure that our procedures and internal controls are revised and updated to remain appropriate for our realigned workforce and the size and scale of our business operations.

Restructuring activities could disrupt our business and affect our results of operations.

In the first nine months of 2022, we carried out a restructuring to re-align our workforce to match strategic and financial objectives and allocate resources for long-term growth, including a reduction in force. We also implemented a management transition, and our new management may take similar steps in the future to generate operating synergies, to achieve our target operating model and financial objectives, or to reflect more closely changes in the strategic direction of our business. We may also choose to make strategic divestitures, such as the sale of our inertial navigation business on August 9, 2022. Any of these changes could be disruptive to our business, including our research and development and product launch efforts, and could result in significant expense, including losses on any divestiture, accounting charges for inventory and technology-related write-offs and workforce reduction costs, and significant transaction costs, including for potential transactions that do not proceed. Substantial expense or charges resulting from restructuring activities or divestitures could adversely affect our results of operations and use of cash in the periods in which we take these actions. Any divestiture could also result in the retention of liabilities and expenses that are not assumed by the acquirer or the loss of operating income from the divested operations, either of which could negatively impact profitability after any divestiture.

We must generate a certain level of sales of the TracNet-H series and TracPhone V-HTS series products and our mini-VSAT Broadband service in order to maintain or improve our service gross margins.

As a result of our mini-VSAT Broadband network infrastructure, our cost of service sales includes certain costs that generally do not vary directly in proportion with the volume of service sales, and we have limited ability to reduce these fixed costs in the short term. Although we have realized savings from the shutdown of our legacy Arlight network, the cost of our HTS network has increased significantly each year as we have further expanded our network to accommodate additional subscriber demand and/or coverage areas, as well as customers who migrated from our legacy network. We expect that this trend will continue in 2022 and beyond. If sales of our TracNet-H series and TracPhone V-HTS series products and the mini-VSAT Broadband service, including through our AgilePlans subscription model, do not generate the level of revenue that we expect or if those revenues decline, our service gross margins may decline. The failure to improve our mini-VSAT Broadband service gross margins and unit or subscriber sales would have a material adverse effect on our overall profitability.

Our ability to compete in the maritime airtime services market will be impaired if we are unable to provide sufficient service capacity to meet customer demand.

We currently offer our mini-VSAT Broadband service in the Americas, Europe, the Middle East, Africa, Asia-Pacific, Indian, and Australian and New Zealand waters. We may need to expand capacity in existing coverage areas to support our subscriber base. If we are unable to reach economical agreements with third-party satellite providers to support our mini-VSAT Broadband service and its technology or if transponder capacity is unavailable to meet growing demand in a given region, our ability to provide airtime services will be at risk and could reduce the attractiveness of our products and services.

Our results of operations are adversely affected by unseasonably cold weather, prolonged winter conditions, disasters or similar events.

Our leisure marine business is highly seasonal, and seasonality can also impact our commercial marine business. Historically, we have generated the majority of our leisure marine product revenues during the first and second quarters of each year, and these revenues typically decline in the third and fourth quarters of each year, compared to the first two quarters. Temporary suspensions of our airtime services typically increase in the third and fourth quarters of each year as boats are placed out of service during winter months. Our leisure marine business is also significantly affected by the weather. Unseasonably cool weather, prolonged winter conditions, hurricanes, unusual amounts of rain, and natural and other disasters may decrease boating, which could reduce our revenues. Specifically, we may encounter a decrease in new airtime activations as well as an increase in the number of cancellations or temporary suspensions of our airtime service.

We have a single dedicated manufacturing facility for all of our product categories, and any significant disruption to this facility will impair our ability to deliver our products.

We currently manufacture all of our products at our manufacturing facility in Middletown, Rhode Island. Some of our production processes are complex, and we may be unable to respond rapidly to the loss of the use of our production facility. For example, our production facility uses some specialized equipment that may take time to replace if they are damaged or become unusable for any reason. In that event, shipments would be delayed, which could result in customer or dealer dissatisfaction, loss of sales and damage to our reputation. Finally, we have only a limited capability to increase our manufacturing capacity in the short term. If short-term demand for our products exceeds our manufacturing capacity, our inability to fulfill orders in a timely manner could also lead to customer or dealer dissatisfaction, loss of sales and damage to our reputation.

Acquisitions and strategic relationships may disrupt our operations or adversely affect our results.

We evaluate opportunities to acquire other businesses and pursue other strategic relationships as they arise. The expenses we incur evaluating and pursuing acquisitions and strategic relationships could have a material adverse effect on our results of operations. If we acquire a business, we may be unable to manage it profitably or successfully integrate its operations with our own. Moreover, we may be unable to realize the strategic, financial, operational and other benefits we anticipate, and any acquisition or strategic relationship may increase our operating expenses. Further, our approach to acquisitions and strategic relationships may involve a number of special financial and business risks, such as entry into new and unfamiliar lines of business or markets, which may present challenges or risks that we did not anticipate; entry into new or unfamiliar geographic regions, including exposure to additional tax and regulatory regimes; increased expenses associated with the amortization of acquired intangible assets; increased exposure to fluctuations in foreign currency exchange rates; charges related to any abandoned acquisition; diversion of our management's time, attention, and resources; loss of key personnel; increased costs to improve or coordinate managerial, operational, financial, and administrative systems, including internal control over financial reporting; dilutive issuances of equity securities; the assumption of legal liabilities; and losses arising from impairment charges associated with goodwill or intangible assets.

Risks related to our dependence on technology and third parties

Our mobile satellite products currently depend on satellite services, gateway teleports and terrestrial networks provided by third parties, and a disruption in those services could adversely affect sales.

Our satellite antenna products include the equipment necessary to utilize satellite services. We do not own the satellites that provide two-way satellite communications or the terrestrial networks that interconnect our facilities with the satellite teleports that communicate with the satellites. We currently offer satellite television products compatible with the DIRECTV and DISH Network services in the United States, the Bell TV service in Canada, the Sky Mexico service in Mexico, the Sky UK service in the United Kingdom, Canal+ service in France and Movistar service in Spain and various other regional satellite TV services in other parts of the world.

Inmarsat and Sky Perfect-JSAT currently provide the satellite capacity to support the mini-VSAT Broadband service and our TracNet-H series and TracPhone V-HTS series products. In addition, we have agreements with various teleports and Internet service providers around the globe to support the mini-VSAT Broadband service. The terrestrial fiber links that we use to connect with the Internet and to move our voice and data services between our facilities and the various satellite earth stations that support our services are provided to us through numerous service providers, some of which have contractual relationships with our satellite service providers and not directly with us. We rely on Inmarsat for satellite communications services for our FleetBroadband and FleetOne compatible TracPhone products. We also have an arrangement with Iridium for additional satellite communications services that we make available to our customers as a backup option to provide communications redundancy with our primary service offerings.

We exercise little or no control over these third-party providers of satellite, teleport and terrestrial network services, which increases our vulnerability to problems with the services they provide. Due to our reliance on these service providers, when problems occur, it may be difficult to identify the source of the problem. Service disruption or outages, regardless of whether they are caused by our service, the equipment or services of our third-party service providers, or our customers' or their equipment and systems, may result in loss of market acceptance of our service, and any necessary repairs or other remedial actions may cause us to incur significant costs and expenses. Any failure on the part of third-party service providers to achieve or maintain expected performance levels, stability and security could harm our relationships with our customers, result in claims for credits or damages, damage our reputation, significantly reduce customer demand for our solution and seriously harm our financial condition and operating results.

If customers become dissatisfied with the programming, pricing, service, availability or other aspects of any of these satellite services, or if any one or more of these services becomes unavailable for any reason, we could suffer a substantial decline in sales of our satellite products. There may be no alternative satellite service provider available to us in a particular geographic area, and our modem or other technology may not be compatible with the technology of any alternative service provider that may be available. Even if available, delays caused by switching our technology to another service provider, if available, and qualifying this new service provider could materially harm our customer relationships, business, financial condition and operating results. In addition, the unexpected failure of a satellite could disrupt the availability of programming and services, which could reduce the demand for, or customer satisfaction with, our products.

We depend on cloud-based data services operated by third parties, and any disruption in the operation of these services could harm our business.

Some of our content services and business records are hosted by various cloud-based data services operated by third parties. Any failure or downtime in one of these services could affect a significant percentage of our customers. Although we control and have access to our servers and the components of our network that are located in our internal facilities and certain of our external data facilities, we do not control the operation of external facilities. The providers of our data management services have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one or more of our data management service providers is acquired, closes, suffers financial difficulty or is unable to meet our growing capacity needs, we may be required to transfer our data to other services, and we may incur significant costs and service interruptions in connection with doing so, which could harm our reputation with our customers and adversely affect our revenues and results of operations.

Our media and entertainment business relies on licensing arrangements with content providers, and the loss of, or changes in, those arrangements could adversely affect our business.

We distribute premium news, sports, movies, and music content for commercial and leisure customers in the maritime, hotel, and retail markets. We license this content from third parties on a non-exclusive basis without long-term license agreements. Any content provider could terminate our arrangements without notice or could adversely modify the terms of the arrangement, including price increases. Further, the licenses we obtain are limited in scope, and any violation of the terms of a license could expose us to liability for copyright infringement. We pay license fees based in part on the revenue we generate from sublicenses, and our licensors generally have the right to audit our records. Failure to pay required license fees could result in termination of our license rights, penalties and damages. The loss of content could adversely affect the attractiveness of our media and entertainment offerings, which could in turn adversely affect our revenues. Any increase in the cost of content could reduce the profitability of these offerings.

Cybersecurity breaches could disrupt our operations, expose us to liability, damage our reputation, and require us to incur significant costs or otherwise adversely affect our financial results.

We are highly dependent on information technology networks and systems, including the Internet and third-party systems, to securely process, transmit and store electronic information, including personal information of our customers. We also retain sensitive data, including intellectual property, proprietary business information, personally identifiable information, credit card information, and usage data of our employees and customers on our computer networks and those of third parties. Although we take certain protective measures and endeavor to modify them as we believe circumstances warrant, invasive technologies and techniques continue to evolve rapidly, and increasingly sophisticated hacking organizations are targeting business systems. As a result, the computer systems, software and networks that we use are vulnerable to disruption, shutdown, unauthorized access, misuse, erasure, alteration, employee error, phishing, computer viruses, ransomware or other malicious code, and other events that could have a material security impact. The protective measures on which we rely may be inadequate to prevent or detect all material cybersecurity breaches or determine the extent of any material breach, and there can be no assurance that material undetected breaches have not already occurred. If any material cybersecurity event were to occur, it could disrupt our operations, distract our management, cause us to lose existing customers and fail to attract new customers, as well as subject us to regulatory actions, litigation, fines, damage to our reputation or competitive position, or orders or decrees requiring us to modify our business practices, any of which could have a material adverse effect on our financial position, results of operations or cash flows.

Risks related to economic conditions and trade relations

Our revenues, results of operations and financial condition have been, and are expected to be, adversely impacted by economic turmoil, political events, macroeconomic conditions, credit tightening and associated declines in consumer and enterprise spending, and by the continuation of the COVID-19 pandemic, including related supply chain issues.

Economic conditions in the geographic markets we serve have experienced significant turmoil over the last several years, including a potential global recession, downturns related to the COVID-19 pandemic, slow economic activity, tight credit markets, inflation and deflation concerns, low consumer confidence, limited capital spending, adverse business conditions, war and refugee crises in the Middle East and Europe, terrorist attacks, the departure of the United Kingdom from the European Union, changes in government priorities, trade wars, a government shutdown, gridlock from a divided Congress, and liquidity concerns. These factors vary in intensity by region. Further, in response to the COVID-19 pandemic, governments and others have implemented, revised, withdrawn, reinstated and expanded extensive safety precautions, including quarantines, travel restrictions, business closures, cancellations of public gatherings and other measures. These measures have significantly

disrupted normal business operations, and complying with them has increased our costs. Travel restrictions and safety precautions have also limited our ability to service and install our equipment. Although we are unable to predict the ongoing impact of the pandemic, our mobile communications business in particular largely depends on travel. The operations of our KVH Media Group were particularly impacted due in part to the global reduction in travel resulting from the pandemic. We anticipate that measures to limit the spread of the virus will continue to adversely affect our revenues, results of operations and financial condition, perhaps materially. An outbreak of infection in any of our facilities could severely disrupt our operations. Our customers' businesses could be further disrupted, and our revenues could continue to be adversely affected. Additionally, global economic disruptions like the COVID-19 pandemic have negatively impacted, and could continue to negatively impact, our supply chain and continue to cause delays in the delivery of raw materials, components and other supplies that we need to conduct our operations and generate revenue.

There can be no assurances that government programs to maintain or improve economic conditions, including stimulus and other aid programs, will be effective. As a result of these and other factors, customers could continue to slow or suspend spending on our products and services. We may also incur increased credit losses and need to further increase our allowance for doubtful accounts, which would have a negative impact on our earnings and financial condition.

We cannot predict the timing, duration, or ultimate impact of the turmoil in our markets. We expect our business to continue to be adversely impacted by this turmoil, particularly in relation to the COVID-19 pandemic, to varying degrees and for varying amounts of time, in all our geographic markets.

Changes in U.S. trade policy, including changes to existing trade agreements and any resulting changes in international trade relations, may have a material adverse effect on us.

The U.S. may continue to alter its approach to international trade, which may impact existing bilateral or multi-lateral trade agreements and treaties with foreign countries. The U.S. has imposed tariffs on certain foreign goods and may increase tariffs or impose new ones, and certain foreign governments have retaliated and may continue to do so. We derive a majority of our revenues from international sales, which makes us especially vulnerable to increased tariffs. Changes in U.S. trade policy have created ongoing turmoil in international trade relations, and it is unclear what future actions governments will or will not take with respect to tariffs or other international trade agreements and policies. Current trade negotiations may fail, which may exacerbate these risks. Ongoing or new trade wars or other governmental action related to tariffs or international trade agreements or policies could reduce demand for our products and services, increase our costs, reduce our profitability, adversely impact our supply chain or otherwise have a material adverse effect on our business and results of operations.

Changes in foreign currency exchange rates may negatively affect our financial condition and results of operations.

Because of the scope of our foreign sales and foreign operations, we face significant exposure to movements in exchange rates for foreign currencies, particularly the pound sterling and the euro. For example, during 2022, the U.S. dollar strengthened against certain foreign currencies, which adversely affected revenues reported in U.S. dollars and decreased the reported value of our assets in foreign countries.

We also have intragroup receivables and liabilities, such as loans, that can generate significant foreign currency effects. Changes in exchange rates, particularly the U.S. dollar against the pound sterling, could lead to the recognition of unrealized foreign exchange losses.

Moreover, certain of our products and services are sold internationally in U.S. dollars; if the U.S. dollar continues to strengthen, the relative cost of these products and services to customers located in foreign countries would increase, which could adversely affect export sales. In addition, most of our financial obligations must be satisfied in U.S. dollars. Our exposures to changes in foreign currency exchange rates may change over time as our business practices evolve and could result in increased costs or reduced revenue and could adversely affect our cash flow. Changes in the relative values of currencies occur regularly and may have a significant impact on our operating results. We cannot predict with any certainty changes in foreign currency exchange rates or the degree to which we can cost-effectively mitigate this exposure.

Risks related to the sale of our inertial navigation business

We face potential liabilities and disruptions arising from the sale of our inertial navigation business.

On August 9, 2022, we sold our inertial navigation business to EMCORE Corporation, for aggregate consideration of \$55.0 million, less specified deductions and subject to a working capital adjustment. As a result of these provisions, we could receive proceeds that are less than we anticipate.

The sale of the inertial navigation business required us to separate and allocate specific assets to the business, including some shared assets. We could also face disputes with EMCORE regarding whether or not certain assets were included in the sale. Moreover, we agreed, for a period of time after the sale, to continue to perform certain services that we historically performed for the inertial navigation business, and we also undertook other customary obligations associated with a disposition of a business by means of asset sale.

We incurred significant legal, accounting and financial advisory fees negotiating and consummating the sale of the inertial navigation business, and we may incur additional fees to resolve any dispute that may arise over the terms of the transaction or the parties' compliance with their obligations under the transaction agreements. Although EMCORE agreed to assume most liabilities associated with the inertial navigation business, it did not assume all such liabilities, which could lead to a dispute. Any such disputes could divert the attention of our management or otherwise have a material adverse effect on our business, financial condition and results of operations.

The sale of the inertial navigation business has had the effect of reducing our operating and profit margins, and we are solely reliant on our mobile connectivity business.

As a result of the sale of the inertial navigation business, we no longer generate revenues associated with that business. Accordingly, the costs we incur to operate our continuing business, including the significant overhead costs associated with being a public company, are spread over a smaller revenue base and will have the immediate effect of magnifying the impact of those costs on our operating and profit margins. In order to improve those margins, we will have to increase our revenue or reduce our costs. While the disposition of the inertial navigation business should simplify our financial reporting, we do not expect that any cost savings would be substantial.

The sale of our inertial navigation business may make it more difficult to attract and retain employees.

As a result of the sale of our inertial navigation business, our base of continuing employees will be smaller. We will have fewer personnel to perform certain functions provided by departed employees, which will have the effect of magnifying the impact of any additional departures of continuing personnel. Our smaller size may also make it more difficult to attract and retain new personnel. Our efforts to attract and retain employees may not be successful, which could have a material adverse effect on our ability to operate our business and achieve our business goals.

Our board of directors has not decided how to use the proceeds from the sale of our inertial navigation business, and stockholders may disagree with the board's decisions.

Our board will have broad discretion regarding the use of the remaining net proceeds, which may include, without limitation, general corporate purposes, stock repurchases, cash dividends, capital expenditures, working capital, and strategic acquisition opportunities that may arise. In most cases, our board of directors will be able to deploy the net proceeds without obtaining stockholder approval and, as a result, may use the net proceeds in ways with which our stockholders may disagree. Divergent stockholder expectations for our remaining business, including expectations regarding the use of proceeds, profitability and cash flow, may lead to significant fluctuations in our stock price.

Risks related to our industry

Competition may limit our ability to sell our products and services.

The mobile connectivity market is very competitive, and we expect this competition to intensify. We may not be able to compete successfully against current and future competitors, which could impair our ability to sell our products and services. As our market share in the mobile satellite communication market has grown, competition has intensified significantly, most notably from companies that seek to compete primarily on price. These companies may continue to implement price reductions and discounts for both products and services, which have required us to reduce our prices or offer discounts in order to maintain or increase our market share. Some of our VSAT competitors have also leveraged partnerships amongst themselves in order to capture larger combined market share. Further, some of the companies that we depend on to supply us with capacity on satellite communications networks may vertically integrate by introducing their own products and services to compete with ours, which might motivate them to stop providing satellite network capacity to us, or to make it available only on less favorable terms.

In the marine market for satellite TV equipment, we compete primarily with Intellian, Cobham SATCOM and Raymarine (Intellian made). In the marine market for voice, fax, data, and Internet communications equipment, we compete primarily with Intellian and Cobham SATCOM. In the marine market for high-speed voice, fax, data, and Internet services, we compete primarily with Inmarsat, Marlink, Speedcast, Viasat and Network Innovations. Additionally, we are starting to face competition

from new LEO networks such as SpaceX's Starlink and OneWeb. We also face competition from providers of low-speed data services, which include Inmarsat, Globalstar LP, and Iridium Satellite LLC. In the market for land mobile satellite TV equipment, we compete primarily with King Controls and Winegard Company. In the markets for media content, the KVH Media Group competes primarily with Swank Motion Pictures and NewspaperDirect Inc. Many of our competitors are well-established companies that have substantially greater financial, managerial, technical, marketing, personnel and other resources than we do, which may help them to compete more effectively against us.

The emergence of a competing small maritime VSAT antenna and complementary service or other similar service could reduce the competitive advantage we believe we currently enjoy with our smaller TracNet H series and TracPhone V-HTS series antennas and the Ku-band KVH ONE Hybrid Network, which offers seamless communications and intelligent switching among satellite, cellular, and Wi-Fi services, or with our TracPhone V11-HTS antenna and our C/Ku-band KVH ONE Hybrid Network service.

Our TracNet-H series, which integrates satellite, cellular, and Wi-Fi services utilizing one terminal, and TracPhone V-HTS series systems offer customers a range of benefits due to their integrated design, hardware costs that are lower than existing maritime Ku-band VSAT systems, and broadband technology. We currently compete against companies that offer established maritime Ku-band VSAT service using, in most cases, antennas 1-meter in diameter or larger. While we are unaware of any company offering a 37-cm VSAT solution comparable to our TracNet H30, TracPhone V3-HTS or V30, we are encountering regional competition from companies offering 60-cm VSAT systems and services, which are comparable in size to our TracNet-H60 and TracPhone V7-HTS. Likewise, our TracPhone V11-HTS, at 1.1-meters in diameter, is approximately 85% smaller and lighter than competing C-band maritime VSAT systems, which use antennas in excess of 2.4-meters in diameter to provide similar global services. We are unaware of any competitor currently offering a similar size solution for global C-band coverage, but any introduction of such a product could adversely impact our success. In addition, other companies could replicate some of the distinguishing features of our TracNet H-series products, which could potentially reduce the appeal of our solution, increase price competition, and adversely affect sales. We compete against Inmarsat's Fleet Xpress service, a global Ka-band mobile VSAT service that Inmarsat claims is faster and has a lower price per megabit than existing Ku-band services. This service may continue to adversely impact sales of our mini-VSAT Broadband service and related equipment. Our arrangement to use the IntelsatOne Flex service for our HTS network is not exclusive, and competitors' use of this service could also adversely impact sales. Moreover, consumers may choose other services such as FleetBroadband or Iridium OpenPort for their service coverage at potentially lower hardware costs despite higher service costs and slower data rates.

Any failure to maintain and expand our third-party distribution relationships may limit our ability to penetrate markets for mobile connectivity products and services.

We market and sell our products and services through an international network of independent retailers, chain stores and distributors, as well as to manufacturers of marine vessels, recreational vehicles and buses. Most of these relationships are non-exclusive, allowing these third parties to market competing products. If we fail to maintain relationships with our current distributors, fail to develop relationships with new distributors in new and existing markets, or manage, train, or provide appropriate incentives to our existing distributors, or if our distributors are not successful in their sales efforts, sales of our products and services may decline and our operating results could be harmed.

We depend on sole or limited source suppliers, and any disruption in supply could impair our ability to deliver our products on time or at expected cost.

We obtain many key components for our products from third-party suppliers, and in some cases we use a single or a limited number of suppliers. Any interruption in supply could impair our ability to deliver our products until we identify and qualify a new source of supply, which could take several weeks, months or longer and could increase our costs significantly. For example, the global chip shortage and supply chain constraints resulting from the COVID-19 pandemic have impacted our ability to deliver products in a timely manner and have increased our cost of sales due to rising prices for materials. In the third quarter of 2022, we estimate that raw material costs exceeded our expectations by approximately \$1.3 million, and that orders for approximately \$2.3 million could not be filled due to component shortages. We may not be able to pass along any or all of these cost increases to our customers, and customers may not wait for our products to become available. These disruptions in our supply chain could continue or worsen, which could continue to delay delivery of our products and services and adversely affect our revenue and results of operations in future periods. Suppliers might change or discontinue key components, which could require us to modify our product designs. Regulations requiring government contractors to implement processes to avoid counterfeit parts may require us to find new sources of materials or components if a supplier cannot meet those requirements. In general, we do not have written long-term supply agreements with our suppliers but instead buy components through purchase orders, which expose us to potential price increases and termination of supply without notice or recourse. We generally do not carry significant inventories of product components, which could magnify the impact of the loss of a supplier. If we must use a new source of supply, we could face unexpected manufacturing difficulties and loss of product performance or reliability. In addition, from time to time, lead times for certain components can increase significantly due to imbalances in overall market supply and demand. This, in turn, could limit our ability to satisfy demand for our products on a timely basis and could result in the cancellation of customer orders. Further, adverse economic conditions, including conditions caused by the current COVID-19 pandemic, could result in financial difficulties or bankruptcy for any of our suppliers, which could adversely affect our business and results of operations.

We may source more materials and components from international suppliers, which could disrupt our business.

Although we have historically manufactured and sourced raw materials for the majority of our products domestically, in order for us to compete with lower priced competing products while also improving our profitability, in some instances we have found it desirable to source raw materials and manufactured components and assemblies from Europe, Asia, and South and North America. Reliance on foreign manufacturing and/or raw material supply has lengthened our supply chain and increased the risk that a disruption in that supply chain could have a material adverse effect on our operations and financial performance.

Changes in the competitive environment, customer demand, supply chain issues, and the transition to new products may require inventory write-downs.

From time to time, we have recorded significant inventory charges and/or inventory write-offs as a result of substantial declines in customer demand. For example, in 2019, we recorded a \$2.3 million inventory reserve relating to our TracPhone V-IP products as we decided to no longer promote sales of these products but instead to focus our efforts on migrating customers to our HTS network and products. Market or competitive changes could lead to future charges for excess or obsolete inventory, especially if we are unable to appropriately adjust the supply of material from our vendors.

Risks related to intellectual property

We are devoting significant resources to research and development efforts that may be unsuccessful. If we are unable to improve our existing products and services and develop new, innovative products and services, our sales and market share may decline.

The market for mobile connectivity products and services is characterized by rapid technological change, frequent new product innovations, changes in customer requirements and expectations, and evolving industry standards. For example, we now compete with Inmarsat's Fleet Xpress satellite communications products and services. If we fail to make innovations in our existing products and services and reduce the costs of our products and services in a timely way, our market share may decline. For example, the introductions of our TracVision TV-series antennas in 2014 occurred later than we had anticipated, which we believe led certain customers to purchase competing products. Products or services using new technologies, or emerging industry standards, could render our products and services obsolete. If our competitors successfully introduce new or enhanced products or services that outperform our products or services, or are perceived as doing so, we may be unable to compete successfully in the markets affected by these changes.

Research and development in our industry is inherently complex and uncertain, and our current and anticipated research and development projects may not achieve the results we seek. The financial resources that we can devote to our research and development efforts may be insufficient to achieve our goals. Our efforts may not result in any viable products or may result in products whose performance, features, price or availability may not be attractive to customers or that we cannot manufacture and sell profitably.

Our business may suffer if we cannot protect our proprietary technology.

Our ability to compete depends significantly upon our patents, copyrights, source code, and other proprietary technology. The steps we have taken to protect our technology may be inadequate to prevent others from using what we regard as our technology to compete with us. Our patents will eventually expire and could be challenged, invalidated or circumvented. Customers or others with access to our proprietary or licensed media content could copy that content without permission or otherwise violate the terms of our customer agreements, which would adversely affect our revenues and could impair our relationships with content providers. In addition, the laws of some foreign countries do not protect our proprietary technology to the same extent as the laws of the United States, which could increase the likelihood of misappropriation. Any misappropriation of our technology or the development of competing technology could seriously harm our competitive position, which could lead to a substantial reduction in net sales. If we resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome, disruptive and expensive, distract the attention of management, and there can be no assurance that we would prevail.

Claims by others that we infringe their intellectual property rights could harm our business and financial condition.

Our industries are characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. We cannot be certain that our products do not and will not infringe issued patents, patents that may be issued in the future, or other intellectual property rights of others.

From time to time we have faced claims by third parties that our products or technology infringe their patents or other intellectual property rights, and we may face similar claims in the future. For example, we were sued for patent infringement in 2015, and we settled this claim in January 2016 with a payment of cash. Any claim of infringement could cause us to incur substantial costs defending against or settling the claim, even if the claim is invalid, and could distract the attention of our management. If any of our products are found to violate third-party proprietary rights, we may be required to pay substantial damages. In addition, we may be required to re-engineer our products or obtain licenses from third parties to continue to offer our products. Any efforts to re-engineer our products or obtain licenses on commercially reasonable terms may not be successful, which would prevent us from selling our products, and, in any case, could substantially increase our costs and have a material adverse effect on our business, financial condition and results of operations.

Risks related to government regulation

Our international operations complicate our business and require us to comply with multiple regulatory environments.

Historically, sales to customers outside the United States have accounted for a significant portion of our net sales. We derived 61%, 58% and 58% of our revenues from continuing operations in the nine months ended September 30, 2022 and the years ended December 31, 2021 and 2020, respectively, from sales to these foreign customers. We have foreign offices in Denmark, the United Kingdom, Singapore, Japan, Norway and the Philippines, as well as a subsidiary in Brazil that manages local sales. Nonetheless, substantially all of our personnel and operations are located in the United States. Our limited international operations may impair our ability to compete successfully in international markets and to meet the service and support needs of our customers in countries where we have little to no infrastructure. We face a number of risks associated with our international business activities, which may increase our costs and require significant management attention. These risks include restrictions on international travel, which may restrict our ability to grow and service our business; tariffs; sanctions or other trade restrictions that preclude or restrict doing business with particular foreign governments, companies or individuals; technical challenges we may face in adapting our products to function with different satellite services and technology in use in various regions around the world; satisfaction of international regulatory requirements and delays and costs associated with procurement of any necessary licenses or permits; the potential unavailability of content licenses covering international waters and foreign locations; increased costs of providing customer support in multiple languages; increased costs of managing operations that are international in scope; potentially adverse tax consequences, including restrictions on the repatriation of earnings; protectionist laws and business practices that favor local competitors, which could slow our growth in international markets; potentially longer sales cycles; potentially longer accounts receivable payment cycles and difficulties in collecting accounts receivable; and economic and political instability in some international markets.

We could incur additional legal compliance costs associated with our international operations and could become subject to legal penalties if we do not comply with certain regulations.

As a result of our international operations, we are subject to a number of legal requirements, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and the customs, export, trade sanctions and anti-boycott laws of the United States, including those administered by the U.S. Customs and Border Protection, the Bureau of Industry and Security, the Department of Commerce, the Department of State, and the Office of Foreign Assets Control of the Treasury Department, as well as those of other nations in which we do business. In addition, many of the countries where our customers use our products and services have licensing and regulatory requirements for the importation and use of satellite communications and reception equipment, including the use of such equipment in territorial waters, the transmission of satellite signals on certain radio frequencies, the transmission of voice over Internet services using such equipment, and, in some cases, the reception of certain video programming services. These laws and regulations are continually changing, making compliance complex. We incur significant costs identifying and maintaining compliance with applicable licensing and regulatory requirements. In addition, our training and compliance programs and our other internal control policies may be insufficient to protect us from acts committed by our employees, agents or third-party contractors. Any violation of these requirements by us or our employees, agents or third-party contractors may subject us to significant criminal and civil liability.

We are subject to FCC rules and regulations, and any non-compliance could subject us to FCC enforcement actions, fines, loss of licenses and possibly restrictions on our ability to operate or offer certain of our services

The satellite communications industry is regulated by the Federal Communications Commission in the United States and, as a result, we are subject to existing and potential FCC regulations relating to privacy, contributions to the Universal Service Fund, or USF, and other requirements. If we do not comply with FCC rules and regulations, we could be subject to FCC enforcement actions, substantial fines, penalties, loss of licenses and possibly restrictions on our ability to operate or offer certain of our services. Any enforcement action by the FCC, which may be a public process, could hurt our reputation in the industry, possibly impair our ability to sell our services to customers and could harm our business and results of operations.

Reform of federal and state USF programs could increase the cost of our service to our customers, diminishing or eliminating our pricing advantage.

The FCC has been considering reform or other modifications to its USF program, which, if implemented, could change the way we calculate our contribution to USF. In April 2012, the FCC released a proposal to consider reforms to the manner in which companies like us contribute to the federal USF program. In general, the proposal indicates that the FCC is considering changes to the companies that should contribute, how contributions should be assessed, and methods to improve the administration of the system. We cannot predict the outcome of this proceeding or its impact on our business. The changes in the U.S. administration may renew interest in completing this proceeding. Should the FCC adopt new contribution mechanisms or otherwise modify contribution obligations that increase our contribution burden, we will either need to raise the amount we currently collect from our customers to cover this obligation or absorb the costs, which would reduce our profit margins. The attractiveness of our services may also be reduced as compared to the services of our competitors that do not appear to contribute to USF, or do not do so to the same extent that we do.

Privacy concerns and domestic or foreign laws and regulations may reduce demand for our services, increase our costs and harm our business.

Our company and our customers can use our services to collect, use and store personal, confidential and sensitive information regarding the content and manner of usage of our services by them, their employees and maritime crews. Federal, state and foreign governments have adopted and are proposing new and more stringent laws and regulations regarding the collection, use, storage and transfer of information, such as the European Union's General Data Protection Regulation ("GDPR"). The costs of compliance with, and other burdens imposed by, such laws and regulations may limit the use and adoption of our services and reduce overall demand. Non-compliance with these laws and regulations could lead to significant remediation expenses, fines, penalties or other liabilities, such as orders or consent decrees that require modifications to our privacy practices, as well as reputational damage or third-party lawsuits seeking damages or other relief. For example, the GDPR imposes a strict data protection compliance regime with penalties of up to the greater of 2%-4% of worldwide revenue or €10-20 million.

Domestic and international legislative and regulatory initiatives may harm our ability, and the ability of our customers, to process, handle, store, use and transmit information, which could reduce demand for some of our services, increase our costs and force us to change our business practices. These laws and regulations are still evolving, are likely to be in flux and may be subject to uncertain interpretation for the foreseeable future. Our business also could be harmed if legislation or regulations are

adopted, interpreted or implemented in a manner that is inconsistent from country to country or inconsistent with our current policies and practices or those of our customers.

We may have exposure to additional tax liabilities, which could negatively impact our income tax expense, net income and cash flow.

We are subject to income and other taxes in the U.S. and the foreign jurisdictions in which we operate. The determination of our worldwide provision for income taxes and current and deferred tax assets and liabilities requires significant judgment and estimation. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, the ultimate tax outcome may differ materially from our estimates and may materially affect our income tax benefit or expense, net loss or income, and cash flows in the period in which such determination is made. As of September 30, 2022, we had gross uncertain tax positions of \$1.9 million, consisting of a \$1.3 million reduction to deferred tax assets and a \$0.6 million liability for uncertain tax positions.

Deferred tax assets are recognized for the expected future tax consequences of temporary differences between the carrying amount for financial reporting purposes and the tax bases of assets and liabilities, and for net operating losses and tax credit carry forwards. We have historically recorded valuation allowances to reduce our deferred tax assets to estimated realizable value. We review our deferred tax assets and valuation allowance requirements quarterly. If we are unable to demonstrate that it is more likely than not that we will not be able to generate sufficient future taxable income to realize the net carrying value of deferred tax assets, we will record a valuation allowance to reduce the deferred tax assets to estimated realizable value, which could result in a material income tax charge. As part of our review, we consider positive and negative evidence, including cumulative results of recent years.

Risks related to owning our common stock

The market price of our common stock may be volatile.

Our stock price has historically been volatile. During the period from January 1, 2018 to September 30, 2022, the trading price of our common stock ranged from \$6.36 to \$15.29. Many factors may cause the market price of our common stock to fluctuate, including variations in our quarterly results of operations; the introduction of new products and services by us or our competitors; changes in estimates of our performance or recommendations by securities analysts; the hiring or departure of key personnel; acquisitions or strategic alliances involving us or our competitors; market conditions in our industries; and the global macroeconomic and geopolitical environment. Broad market fluctuations may adversely affect the market price of our common stock. When the market price of a company's stock drops significantly, stockholders often institute securities litigation against that company. Any such litigation could cause us to incur significant expenses defending against the claim, divert the time and attention of our management and result in significant damages.

ITEM 6. EXHIBITS

Exhibits:

Exhibit No.	Description	Filed with this Form 10-Q	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
3.1	Amended and Restated Certificate of Incorporation, as amended		10-Q	August 6, 2010	3.1
3.2	Certificate of Designations of Series A Junior Participating Cumulative Preferred Stock of KVH Industries, Inc. classifying and designating the Series A Junior Participating Cumulative Preferred Stock		8-A	August 19, 2022	3.1
3.3	Amended and Restated Bylaws		10-Q	November 1, 2017	3.2
4.1	Specimen certificate for the common stock		10-K	March 2, 2018	4.1
4.2	Description of Capital Stock		8-K	August 4, 2020	4.1
10.1	KVH Industries, Inc. Amended and Restated 2016 Equity and Incentive Plan, as amended		DEF 14A	May 2, 2022	App. A
10.2	Executive Employment Agreement dated as of May 2, 2022 between KVH Industries, Inc. and Brent C. Bruun	X			
10.3	Executive Employment Agreement dated as of May 2, 2022 between KVH Industries, Inc. and Roger A. Kuebel	X			
10.4	Executive Employment Agreement dated as of May 2, 2022 between KVH Industries, Inc. and Felise B. Feingold	X			
10.5	Executive Employment Agreement dated as of May 9, 2022 between KVH Industries, Inc. and Robert J. Balog	X			
10.6	Asset Purchase Agreement dated as of August 9, 2022 by and between KVH Industries, Inc., EMCORE Corporation and Delta Acquisition Sub, Inc.		8-K	August 10, 2022	2.1
10.7	Stockholder Rights Agreement, dated as of August 18, 2022, between KVH Industries, Inc. and Computershare Trust Company, N.A., as Rights Agent		8-A	August 19, 2022	4.1
10.8	Amendment No. 1 dated as of October 11, 2022 to Executive Employment Agreement between KVH Industries, Inc. and Brent C. Bruun	X			
31.1	Rule 13a-14(a)/15d-14(a) certification of principal executive officer	X			
31.2	Rule 13a-14(a)/15d-14(a) certification of principal financial officer	X			
32.1	Section 1350 certification of principal executive officer and principal financial officer	X			

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| 101 | The following financial information from KVH Industries, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, formatted in Inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets (unaudited), (ii) the Consolidated Statements of Operations (unaudited), (iii) the Consolidated Statements of Comprehensive Income (Loss) (unaudited), (iv) the Consolidated Statement of Stockholders' Equity (unaudited), (v) the Consolidated Statements of Cash Flows (unaudited), and (vi) the Notes to Consolidated Interim Financial Statements (unaudited). | X |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) | X |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 6, 2022

KVH Industries, Inc.

By: _____ /s/ ROGER A. KUEBEL

Roger A. Kuebel
(Duly Authorized Officer and Chief Financial Officer)

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (“**Agreement**”) is made as of May 2, 2022 between KVH Industries, Inc. a Delaware corporation (the “**Company**”), and Brent C. Bruun (the “**Executive**”).

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions contained herein,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement until such employment is terminated in accordance with the provisions hereof (the “**Term**”). The Executive’s employment with the Company will continue to be “at will,” meaning that the Executive’s employment may be terminated by the Company or the Executive at any time and for any reason, subject to the terms of this Agreement.

(b) Position and Duties. During the Term, the Executive shall serve as the Interim President and Chief Executive Officer of the Company, or Chief Operating Officer of the Company, as determined by the Board, and shall have such powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the “**Board**”) consistent with the Executive’s position. The Executive shall report to the Chief Executive Officer (or, for so long as the Executive is serving as the Interim or permanent Chief Executive Officer, the Board). The Executive shall devote the Executive’s full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the prior approval of the Board (not to be unreasonably withheld), or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and, in the judgment of the Board, do not interfere with the Executive’s performance of the Executive’s duties to the Company.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive’s initial annual base salary shall be paid at the rate of \$424,360 per year. The Executive’s base salary shall be reviewed annually by the Board or the Compensation Committee of the Board (the “**Compensation Committee**”). The base salary in effect at any given time is referred to herein as the “**Base Salary**.” The Base Salary shall be payable in a manner that is consistent with the Company’s usual payroll practices for executive officers.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive’s target annual incentive compensation shall be sixty percent (60%) of the Executive’s Base Salary, which percentage may be modified from time to time by the Board or the Compensation Committee. The target annual incentive compensation in effect at any given time is referred to herein as the “**Target Bonus**.” Except as otherwise provided herein or as provided under applicable Company policy, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid. Target incentives do not constitute a promise of payment, and the

Executive's actual cash incentive compensation will depend in part on the performance of the Company and the Executive, as determined by the Board or the Compensation Committee in its discretion.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's policies and employee benefit plans in effect from time to time, subject to the terms of such policies and plans and to the Company's ability to amend, modify, replace or terminate such policies and plans, including with respect to paid time off.

(e) Equity. The equity awards held by the Executive shall be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards held by the Executive (collectively, the "**Equity Documents**"); *provided, however*, and notwithstanding anything to the contrary in the Equity Documents, Section 4(b)(iii) of this Agreement shall apply in the event of a termination by the Company without Cause (as defined below) or by the Executive for Good Reason (as defined below), or, if either such event shall occur during a Change in Control Period (as defined below), Section 5(a)(iii) shall apply instead.

(f) Retention Compensation.

(i) If the Executive continues to serve as an employee of the Company from the date hereof through December 31, 2022 (the "**Retention Date**"), then (1) the Company shall pay the Executive a cash retention bonus (the "**Retention Bonus**") in an amount equal to seventy-five percent (75%) of Executive's Base Salary in effect on the date hereof, such Retention Bonus to be paid within thirty (30) days after the Retention Date in a manner that is consistent with the Company's usual payroll practices for executive officers and (2) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock option and other stock-based awards subject to vesting held by the Executive (collectively, the "**Equity Awards**") that would otherwise vest in the twelve (12) months after the Retention Date (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall on the Retention Date accelerate and become exercisable or non-forfeitable.

(ii) If before December 31, 2022, either (1) the Company shall terminate the employment of the Executive without Cause (as defined below) or (2) the Executive shall terminate the Executive's employment for Good Reason (as defined below), then the Company shall pay the Executive a pro rata portion of the Retention Bonus (based on (x) the number of days the Executive was employed by the Company between the date of this Agreement and the Date of Termination, divided by (y) the number of days between the date of this Agreement and December 31, 2022) (the "**Partial Retention Bonus**"), such Partial Retention Bonus to be paid in the form of a continuation of the Executive's regular salary payments (and in a manner that is consistent with the Company's usual payroll practices for executive officers) until the full amount of such Partial Retention Bonus shall have been paid. If the Executive shall subsequently become entitled to receive the full amount of the Retention Bonus pursuant to the following Section 2(f)(iii), then the Executive shall receive no further payments

under this Section 2(f)(ii), and any amounts theretofore paid under this Section 2(f)(ii) shall be credited toward the payment of the full amount of the Retention Bonus.

(iii) If (1) before December 31, 2022 either (A) the Company shall terminate the employment of the Executive without Cause (as defined below) or (B) the Executive shall terminate the Executive's employment for Good Reason (as defined below) and (2) before or after December 31, 2022, the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), then the Executive shall receive the full amount of the Retention Bonus pursuant to Section 2(f)(i), and, solely for purposes of determining the timing of payment of the Retention Bonus, the Retention Date shall be the later of the date of such Change of Control or the date of such termination.

(g) Total Compensation. Except as expressly set forth in Section 4 or Section 5 or as provided under applicable Company policy, the Executive shall not receive any compensation or benefits from the Company other than as provided in this Section 2.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then-existing position or positions under this Agreement with or without reasonable accommodation as required by law for a period of one hundred twenty (120) days (which need not be consecutive) in any twelve (12) month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then-existing position or positions with or without reasonable accommodation as required by law, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled and, if so, how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification promptly after a request therefor, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. Any determination of Cause will be made by a resolution approved by a majority of the members of the Board. For purposes of this Agreement, "Cause" shall mean:

(i) any breach of fiduciary duties to the Company or any of its subsidiaries by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or such subsidiary;

(ii) the commission by the Executive of any felony or any crime (whether or not a felony) involving moral turpitude, deceit, or fraud, or any reckless or willful misconduct by the Executive that would reasonably be expected to result in

material injury or reputational harm to the Company or any of its subsidiaries if the Executive were to be retained in the Executive's position;

(iii) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries, other than the occasional, customary and de minimis use of such property for personal purposes;

(iv) illegal or controlled substance abuse or repeated insobriety by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries;

(v) the Executive's material negligence or dereliction in the performance of, or failure or refusal to perform, the Executive's material duties of employment with the Company (for reasons other than disability), which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof;

(vi) a material breach by the Executive of any provision of this Agreement, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof;

(vii) a material violation by the Executive of the Company's written policies and procedures in effect from time to time, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof; or

(viii) the Executive's refusal or failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the Executive's inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof.

In addition, the Executive's employment shall be deemed to have terminated for Cause if, on the Date of Termination (as defined below), facts and circumstances exist that would have justified a termination for Cause, even if such facts and circumstances are discovered after such termination; provided that such discovery occurs within six months following the Date of Termination.

Notwithstanding the foregoing, any action or inaction taken by Executive based upon Executive's reasonable reliance on advice of counsel to the Company or the direction of the Board of Directors will not form the basis for Cause. For the avoidance of doubt, "Cause" does not exist solely due to any failure to achieve any performance targets, whether relating to Executive, the Company, or otherwise.

(d) Termination without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or Section 3(c) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate the Executive's employment hereunder at any time for any reason, including but not limited to Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean that the Executive has complied with the Good Reason Process (as defined below) following the occurrence of any of the following events without the Executive's prior approval:

(i) a material diminution in the Executive's title, responsibilities or authority, or the assignment to the Executive of responsibilities materially inconsistent with the responsibilities customarily associated with the Executive's position(s) at the Company; *provided, however*, that the following changes in responsibilities or authority shall not constitute a material diminution: (1) a suspension, with pay, of some or all the Executive's responsibilities and authority in connection with any allegation that the Executive has engaged in wrongdoing or any investigation thereof, including without limitation any assessment of whether the Company has Cause for termination of the Executive's employment, or (2) during Executive's service as Interim President and Chief Executive Officer, the end of such interim service and Executive's resumption of his role as Chief Operating Officer;

(ii) a reduction of the Executive's Base Salary, except for any reduction similarly affecting all or substantially all executive officers of the Company;

(iii) a change in the geographic location at which the Executive is regularly required to provide services to the Company by more than 25 miles (other than requirements for travel commensurate with the Executive's position); or

(iv) a material breach of this Agreement by the Company or a material failure to pay compensation when due.

"**Good Reason Process**" shall mean that (i) the Executive notifies the Company in writing of the occurrence of the Good Reason condition within ninety (90) days after the Executive first knows, or should have known, of such condition; (ii) the Executive cooperates in good faith with the Company's efforts, for a period not less than thirty (30) days following such notice (the "**Cure Period**"), to remedy the condition; (iii) notwithstanding such efforts, the Good Reason condition continues to exist at the end of the Cure Period; and (iv) the Executive terminates the Executive's employment within ninety (90) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "**Notice of Termination**" shall mean a notice of termination of employment which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "**Date of Termination**" shall mean:

(i) if the Executive's employment is terminated by the Executive's death, the date of the Executive's death;

(ii) if the Executive's employment is terminated on account of disability under Section 3(b), or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given;

(iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination;

(iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, thirty (30) days after the date on which a Notice of Termination is given; and

(v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period.

Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(h) Other Positions. Upon termination of the Executive's employment for any reason, the Executive shall immediately (and with immediate effect) resign any offices or other positions that the Executive may hold with the Company or any subsidiary of the Company, unless the Company shall otherwise agree in writing.

(i) No Duty to Mitigate. The Executive shall have no duty to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that the Executive may receive from any other source reduce any such payment.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination, unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) and unused vacation or paid time off that accrued through the Date of Termination, which amounts shall be paid on or before the time required by law but in no event more than thirty (30) days after the Executive's Date of Termination; (iii) any cash-based annual incentive award earned but unpaid with respect to a fiscal year ending on or before the Date of Termination, and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "**Accrued Benefits**").

(b) Termination by the Company without Cause or by the Executive for Good Reason. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), then the Company shall pay the Executive the Executive's Accrued Benefits. In addition, subject to (i) the Executive signing a separation agreement and release in a form provided by the Company (the "**Separation Agreement and Release**"), which the Executive shall have twenty-one (21) calendar days (or forty-five (45) calendar days in the event of a group termination) to consider signing and seven (7) business days after signing to revoke acceptance and which shall include, without limitation, a general release of claims, a reaffirmation of the restrictive covenants in Section 7 hereof, and a statement that if the Executive breaches any provision of this Agreement or other restrictive covenants then in effect, all payments hereunder (other than the Accrued Benefits) shall immediately cease, and (ii) the Separation Agreement and Release becoming irrevocable, all within the time frame set

forth in the Separation Agreement and Release but in no event later than sixty (60) days after the Date of Termination:

(i) the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary at the highest rate in effect during the twelve (12) months before the Date of Termination;

(ii) the Company shall pay the Executive a lump sum in cash in an amount equal to a pro rata portion (based on the number of days the Executive was employed by the Company in the calendar year in which the Date of Termination occurs divided by 365) of the Executive's Target Bonus in effect for such calendar year (the amounts contemplated by Section 4(b)(i) and this Section 4(b)(ii), collectively, the "**Base Severance Amount**");

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Equity Awards that would have vested had the Executive remained employed by the Company for an additional twelve (12) months after the Date of Termination (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall immediately accelerate and become exercisable or non-forfeitable as of the later of (i) the Date of Termination or (ii) the effective date of the Separation Agreement and Release (the "**Accelerated Vesting Date**"); *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the earlier of the effective date of the Separation Agreement and Release or the end of the sixty (60) day period following the Date of Termination, and such termination or forfeiture will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Equity Awards (other than the acceleration provided pursuant to this Section 4(b)(iii)) shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) subject to the Executive's copayment of premium amounts at the active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), the Company shall pay the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; *provided, however*, if the Company determines that it cannot pay such amounts without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), incurring penalties under applicable law or creating adverse tax consequences for participants in the Company's health insurance plans, then the Company will convert such payments to taxable payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amount payable under Section 4(b)(i) shall be paid within thirty (30) days after the Separation Agreement and Release becomes irrevocable. The other amounts payable under this Section 4(b) shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within sixty (60) days after the Date of Termination; *provided, however*, that if the sixty (60) day period begins in one (1)

calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such sixty (60) day period; *provided, further*, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination.

5. **Change in Control Payment.** The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations in connection with a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to the Executive's assigned duties and the Executive's objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within six (6) months before, or within twelve (12) months after, the occurrence of the first event constituting a Change in Control (the "**Change in Control Period**"). For the avoidance of doubt, any severance pay and benefits that may have been received under Section 4(b) shall be credited against any severance pay and benefits payable under this Section 5. The provisions of this Section 5 shall terminate and be of no further force or effect beginning after the Change in Control Period has ended.

(a) **Change in Control.** During the Term, if during the Change in Control Period, the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), then, subject to (i) the Executive signing the Separation Agreement and Release, (ii) the Separation Agreement and Release becoming irrevocable, all within the time frame set forth in the Separation Agreement and Release but in no event more than sixty (60) days after the Date of Termination and (iii) if the Date of Termination occurs before the consummation of the first event constituting a Change in Control, the consummation of such Change in Control:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to one and one-half (1.5) times the sum of (A) twelve (12) months of the Executive's Base Salary at the highest rate in effect during the twelve (12) months before the Date of Termination plus (B) the Executive's Target Bonus for the then-current year;

(ii) the Company shall pay the Executive a lump sum in cash in an amount equal to a pro rata portion (based on the number of days the Executive was employed by the Company in the calendar year in which the Date of Termination occurs divided by 365) of the Executive's Target Bonus in effect for such calendar year (the amounts contemplated by Section 5(a)(i) and this Section 5(a)(ii), collectively, the "**Change in Control Severance Amount**");

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Equity Awards (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall immediately accelerate and become fully exercisable or non-forfeitable as of the latest of (i) the Date of Termination, (ii) the Accelerated Vesting Date and (iii) the consummation of such Change in Control; *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the later of the Accelerated Vesting Date and the date of consummation of such Change in Control and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein or the failure of such Change in Control

to be consummated within the time period set forth in this Section 5 (the “**Delay Period**”). Notwithstanding the foregoing, no additional vesting of the Equity Awards (other than the acceleration provided pursuant to this Section 5(a)(iii)) shall occur during the Delay Period; and

(iv) subject to the Executive’s copayment of premium amounts at the active employees’ rate and the Executive’s proper election to receive benefits under COBRA, the Company shall pay the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the eighteen (18) month anniversary of the Date of Termination, (B) the Executive’s eligibility for group medical plan benefits under any other employer’s group medical plan or (C) the cessation of the Executive’s continuation rights under COBRA; *provided, however*, if the Company determines that it cannot pay such amounts without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), incurring penalties under applicable law or creating adverse tax consequences for participants in the Company’s health insurance plans, then the Company will convert such payments to taxable payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company’s regular payroll dates.

The amounts and benefits payable under this Section 5(a) shall be paid or commence to be paid within sixty (60) days after the later of the Date of Termination and the date of such Change in Control; *provided, however*, that if the sixty (60) day period begins in one (1) calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such sixty (60) day period.

(b) Additional Limitation.

(i) Notwithstanding anything in this Agreement to the contrary, if the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the applicable regulations thereunder (the “**Aggregate Payments**”), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After-Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) non-cash forms of benefits and (4) equity-based payments and acceleration; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the “**After-Tax Amount**” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive’s receipt of the

Aggregate Payments. For purposes of determining the After-Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the “**Accounting Firm**”), which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days after the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, “**Change in Control**” shall have the same meaning as “Change of Control,” “Change in Control” or any similar phrase provided in the Company’s then-most recently adopted equity incentive plan, as amended from time to time.

6. Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, if at the time of the Executive’s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive’s separation from service would be considered deferred compensation otherwise subject to the twenty percent (20%) additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six (6) months and one (1) day after the Executive’s separation from service, or (B) the Executive’s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six (6) month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one (1) taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive’s termination of employment, then such payments or benefits shall be payable only upon the Executive’s “separation from service.” The determination of whether and when a separation from service shall have occurred

shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Confidential Information and Goodwill; Inventions and Assignment; Restrictive Covenants.

(a) Confidential Information and Goodwill. In consideration of the Executive's promises and covenants contained in this Agreement, including the Executive's promise and covenant not to disclose Confidential Information (as defined below), the Company will provide the Executive with Confidential Information. In further consideration of the Executive's promises and covenants contained in this Agreement, including the Executive's promise and covenant to utilize the Goodwill (as defined below) exclusively for the benefit of the Company and its subsidiaries, the Company will allow the Executive to receive Confidential Information concerning the Company's and its subsidiaries' technology, customers, vendors and employees and, to the extent required to fulfill the Executive's duties, the Company will permit the Executive to represent the Company on its behalf with such persons. To the extent that the Executive's duties involve sales or customer relations, the Company will permit the Executive to utilize the Goodwill in the Executive's sales efforts.

(b) Duties. While employed by the Company, the Executive shall perform the duties required of the Executive hereunder and, except as otherwise permitted by Section 1(b), shall devote the Executive's reasonable best efforts and exclusive business time, energy and skill to performing such duties; not make any disparaging remarks regarding the Company or any of its subsidiaries to any person with whom the Company has business relations, including any customer, vendor or employee of the Company or any of its subsidiaries; use the Goodwill solely for the benefit of the Company and its subsidiaries; and not interfere in such Goodwill, either during or after the Executive's employment with the Company.

(c) Delivery of Company Property. The Executive recognizes that all documents, electronic media and other tangible items which contain Confidential Information are the property of the Company or any of its subsidiaries exclusively. Upon request by the Company or termination of the Executive's employment with the Company, the Executive shall promptly return to the Company all Confidential Information and Company Property within the Executive's possession or control, and shall refrain from taking any Confidential Information or Company Property or allowing any Confidential Information or Company Property to be taken from the Company.

(d) Promise and Covenant Not to Disclose. The parties acknowledge that the Company and its subsidiaries are the sole and exclusive owners of the Confidential Information,

as applicable, and that the Company and its subsidiaries have legitimate business interests in protecting the Confidential Information. The parties further acknowledge that the Company and its subsidiaries have invested, and continue to invest, considerable amounts of time and money in obtaining, developing, and preserving the confidentiality of the Confidential Information and that, by reason of the trust relationship arising between the Executive and the Company, the Executive owes the Company a fiduciary duty to preserve and protect the Confidential Information from all unauthorized disclosure and unauthorized use. The Executive shall not, directly or indirectly, disclose Confidential Information to any third party (except to the Executive's attorneys, the Company's personnel, the Company's attorneys and other persons designated in writing by the Company, or except as otherwise provided by law or directed or authorized by the Chief Executive Officer or his or her authorized delegate (or, for so long as the Executive is serving as the Interim or permanent Chief Executive Officer, the Board)) or use Confidential Information for any purpose other than for the direct benefit of the Company and its subsidiaries while in the Company's employ and thereafter. The Executive shall comply with the terms of any confidentiality, non-disclosure or similar agreement between the Company or any of its subsidiaries and any third party to the extent applicable to information obtained by the Executive.

(e) Inventions and Assignment. The Executive agrees that he or she will promptly disclose to the Company any and all Company Inventions, and the Executive hereby irrevocably assigns, and agrees to assign promptly upon the request of the Company, to the Company all of the Executive's right, title, interest and other ownership rights in and to any and all Company Inventions. During the Executive's employment or at any time thereafter, upon request of the Company, the Executive will sign, execute and deliver any and all documents or instruments, including, without limitation, patent applications, declarations, invention assignments and copyright assignments, and will take any other action which the Company shall deem necessary to perfect in the Company trademark, copyright or patent rights with respect to Company Inventions, or to otherwise protect the Company's trade secrets and proprietary interests. The term "**Inventions**" means discoveries, developments, trade secrets, processes, formulas, data, lists, software programs, graphics, artwork, logos, works of authorship, ideas, concepts, know-how, designs and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property laws or industrial property laws in the United States or elsewhere. The term "**Company Inventions**" means all Inventions that (i) relate to the business or proposed business of the Company or any of its subsidiaries or that are discovered, developed, created, conceived, reduced to practice, made, learned or written by the Executive, either alone or jointly with others, in the course of the Executive's employment; (ii) utilize, incorporate or otherwise relate to Confidential Information; or (iii) are discovered, developed, created, conceived, reduced to practice, made, learned or written by the Executive using property or equipment of the Company or any of its subsidiaries. The Executive agrees to promptly and fully communicate in writing to the Company (to such department or officer of the Company and in accordance with such procedures as the Company may direct from time to time) any and all Company Inventions. The Executive acknowledges and agrees that any work of authorship by the Executive or others comprising Company Inventions shall be deemed to be a "work made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101 (2000)). To the extent that any such work of authorship may not be deemed to be a work made for hire, the Executive hereby irrevocably assigns, and agrees to assign promptly upon the request of the Company, to the Company any and all right, title and interest and other ownership rights the Executive may have in and to such work. This Agreement does not apply to any Inventions the Executive made before the Executive's employment with the Company. To clearly establish the Executive's rights, the Executive has listed on Exhibit A any Inventions, whether or not patentable or copyrightable and whether or not reduced to practice, made by the Executive prior to the Executive's employment with the Company that are owned by the Executive ("**Prior Inventions**"), together with the approximate dates of their creation. If no such list is attached, the Executive represents that there are no Prior Inventions.

(f) Other Promises and Covenants.

(i) The Executive agrees that, during the Executive's employment with the Company and for a period of twelve (12) months (or, if the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), eighteen (18) months) following the Date of Termination (the "**Non-Competition Period**"), the Executive shall not, directly or indirectly, on the Executive's own or another's behalf, engage in or assist others in any of the following activities (except on behalf of the Company):

(1) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend the Executive's name to, lend the Executive's credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; or

(2) provide or develop any products, technology or services that are the same as or Substantially Similar to the products, technology and services provided or developed by the Company or any of its subsidiaries.

(ii) If the Executive shall breach his or her obligations under Section 7(f)(i), the Non-Competition Period shall automatically be extended by a period equal to the period commencing on the first breach of such obligations and ending when all such breaches shall have been cured.

(iii) During the Executive's employment with the Company and for a period of twelve (12) months (or, if the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), eighteen (18) months) following termination of employment for any reason (the "**Non-Solicitation Period**"), the Executive shall not, directly or indirectly, on the Executive's own or another's behalf, engage in or assist others in any of the following activities:

(1) solicit, induce or encourage any customer, distributor, agent, supplier, licensee, or business relation of the Company or any of its subsidiaries to cease doing business with the Company or any of its subsidiaries, or in any way interfere with the relationship between any such customer, distributor, agent, supplier, licensee, or business relation and the Company or any of its subsidiaries;

(2) on behalf of a Competing Business, solicit the business or patronage of any Person who is a customer, Prospective Customer, distributor or agent of the Company or any of its subsidiaries at any time during the twelve (12) months before the Date of Termination, whether or not the Executive had personal contact with such Person;

(3) solicit, induce or encourage any employee, independent contractor or agent of the Company or any of its subsidiaries to terminate the employment or other business relationship of such employee, independent contractor or agent with the Company or any such subsidiary;

(4) in any way interfere with the employment or other business relationship between the Company or any of its subsidiaries, on the one hand, and any employee, independent contractor or agent of the Company or any such subsidiary, on the other hand;

(5) employ, or otherwise engage as an employee, independent contractor, agent or otherwise, any individual who was an employee, independent contractor or agent of the Company or any of its subsidiaries, or was otherwise affiliated with the Company or any of its subsidiaries, at any time during the twelve (12) months before the Date of Termination; *provided* that an employee, independent contractor, or agent shall cease to be covered by this paragraph twelve (12) months following the date of termination of employment or service of such employee, independent contractor, or agent; or

(6) attempt to do any of the foregoing.

provided, however, that nothing set forth in this Section 7 shall prohibit the Executive from (A) owning, as a passive investment, less than one percent (1%) in the aggregate of any class of capital stock of any corporation if such stock is listed on any national securities exchange, (B) commencing employment with, or providing services to, a subsidiary, division or unit of any entity that engages in the Competing Business so long as the Executive does not perform services for the entity that is engaged in the Competing Business, or (C) initiating bona fide job advertisements of general circulation (including general postings on internet job sites) for employment or service not targeted to employees, independent contractors or agents of the Company or any of its subsidiaries.

(iv) If the Executive shall breach his or her obligations under Section 7(f)(iii), the Non-Solicitation Period shall automatically be extended by a period equal to the period commencing on the first breach of such obligations and ending when all such breaches shall have been cured.

(g) Definitions. For purposes hereof:

(i) “**Company Business**” means (1) any business related to the development, engineering, manufacture, marketing, distribution or sale of products, services or solutions for the mobile satellite communications industry, including the provision of Internet, Internet of Things (IoT), television or voice services via satellite or land-based communication to mobile users at sea, on land or in the air, as well as tools to increase communication efficiency, reduce costs and manage network operations; (2) any business related to the provision of commercially licensed entertainment, including news, sports, music, training and movies, to commercial or leisure customers in the maritime, hotel or retail markets; (3) any business related to the development, engineering, manufacture, marketing, distribution or sale of navigations sensors and systems or inertial sensors and systems for defense or commercial applications, including self-driving vehicles; and (4) any other business that the Company or any of its subsidiaries is actively engaged in researching, developing, offering, providing or marketing at the time of the Date of Termination.

(ii) “**Company Property**” means all physical materials, documents, information, keys, computer software and hardware, including laptop computers and mobile or handheld computers, manuals, databases, product samples, tapes, magnetic media, technical notes and any other equipment or items which the Company or any of its subsidiaries provides for or to the Executive or which otherwise belong to the Company or any of its subsidiaries, and those documents and items which the Executive may develop or help develop while in the Company’s employ, whether or not developed during regular working hours or on the premises of the Company or any of its subsidiaries. The term “**Company Property**” shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(iii) “**Competing Business**” means any Entity engaged in any portion of the Company Business, other than the Company and its subsidiaries.

(iv) “**Confidential Information**” means the trade secrets and other information of the Company and its subsidiaries, including but not limited to (1) customer lists, customer contact information, customer purchase information, pricing information, strategic and marketing plans, compilations of customer information, names of employees, contracts with third parties, training, financial and marketing books, sales projections, internal employer databases, reports, manuals and information, including information related to the Company, its subsidiaries or its customers, including those documents and items which any employee may develop or help develop while in the employ of the Company or any of its subsidiaries, whether or not developed during regular working hours or on the premises of the Company or such subsidiary; (2) the identity, skills, personnel file information, performance appraisals and compensation of job applicants, employees, contractors, and consultants; (3) specialized training, technical and other business information; (4) source code, scripts, user screens, reports or any other information pertaining to the internal information technology or network of the Company and/or its subsidiaries; (5) information related to Inventions owned by the Company or any of its subsidiaries or licensed from third parties; (6) information held in confidence by the Company or any of its subsidiaries or which might provide the Company, any of its subsidiaries or its or their customers a competitive advantage over others who do not have access to such information; and (7) similar information of third parties held by the Company or any of its subsidiaries. Unless the context requires otherwise, the term “Confidential Information” shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials. Information that is or becomes generally available publicly other than directly or indirectly through disclosure by Executive in violation of this Agreement shall thereafter cease to be Confidential Information.

(v) “**Entity**” means and includes any person, partnership, association, corporation, limited liability company, trust, unincorporated organization or any other business entity or enterprise.

(vi) “**Geographic Area**” means those jurisdictions in which the Company or any of its subsidiaries conducts business or in which its products, services or solutions are being sold or marketed at the time of the termination of the Executive’s employment.

(vii) “**Goodwill**” means the value of the relationships between the Company and its subsidiaries, on the one hand, and the customers, distributors, agents, suppliers, licensees, employees or other business relations of the Company or any of its subsidiaries, and others with which the Company or any of its subsidiaries does business, on the other hand.

(viii) “**Prospective Customer**” means any person or Entity identified as a potential customer of the Company or any of its subsidiaries to which the Company or any of its subsidiaries, through any of its employees or agents, has made a business proposal within the twelve (12) months prior to the Date of Termination.

(ix) “**Substantially Similar**” means substantially similar in function or capability or otherwise competitive to the products, services or solutions that are being developed, manufactured or sold by the Company or any of its subsidiaries at any time during the three (3) years before the termination of the Executive’s employment for any reason, or that are marketed to substantially the same type of user or customer as that to

which the products, services and solutions of the Company or any of its subsidiaries are marketed during the three (3) years before the termination of the Executive's employment for any reason or proposed to be marketed during the one (1) year after the termination of the Executive's employment for any reason.

(h) Acknowledgements Regarding Other Promises and Covenants. With regard to the promises and covenants set forth herein, the Executive acknowledges and agrees that:

(i) the restrictions are ancillary to an otherwise enforceable agreement, including the provisions of this Agreement regarding the disclosure, ownership and use of the Confidential Information and Goodwill of the Company;

(ii) the limitations as to time, geographical area, and scope of activity to be restricted are reasonable and acceptable to the Executive, and do not impose any greater restraint than is reasonably necessary to protect the Goodwill and other legitimate business interests of the Company;

(iii) the promises and covenants are supported by mutually-upon consideration as set forth in Sections 2, 4 and 5 above;

(iv) the performance by the Executive, and the enforcement by the Company, of such promises and covenants will cause no undue hardship on the Executive; and

(v) the time periods covered by the promises and covenants will not include any period(s) of violation of such promises or covenants.

(i) Duty to Give Notice of Agreement. During employment by the Company and the period of any post-employment obligation applicable hereunder, the Executive shall provide written notice to any prospective employer of the Executive's obligations under this Agreement then in effect, and shall provide a true copy hereof to such prospective employer at the outset of any communications about employment.

(j) Independent Elements. The parties acknowledge that the promises and covenants contained in this Section 7 are essential independent elements of this Agreement and that, but for the Executive agreeing to comply with them, the Company would not enter into this Agreement. Accordingly, the existence or assertion of any claim by the Executive against the Company, whether based on this Agreement or otherwise, shall not operate as a defense to the Company's enforcement of the promises and covenants in Section 7. An alleged or actual breach of the Agreement by the Company will not be a defense to enforcement of any such promise or covenant, or other obligations of the Executive to the Company. The promises and covenants in this Section 7 will remain in full force and effect regardless of whether the Executive's employment is terminated by the Company or by the Executive.

(k) Remedies for Breach of Agreement. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 7, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company and without posting any bond.

8. Other Agreements; Cooperation.

(a) Third-Party Agreements and Rights. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's duties for the Company do not and will not violate any obligations the Executive may have to any previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any previous employer or other party, and the Executive will not bring to the premises of the Company or any of its subsidiaries any copies or other tangible embodiments of non-public information belonging to or obtained from any previous employer or other party.

(b) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate with the Company and its subsidiaries in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company or any of its subsidiaries which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being reasonably available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company or any of its subsidiaries at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. Any cooperation services hereunder shall be scheduled to take into account the Executive's personal and professional obligations at such time. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(b).

(c) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "**Government Agency**") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement for the disclosure of a trade secret that (i) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Compensation Recovery. Notwithstanding any other provision in this Agreement to the contrary, the Executive acknowledges and agrees that any incentive-based compensation, or any other compensation, paid to the Executive, whether or not pursuant to this Agreement or any other agreement or arrangement with the Company or any of its subsidiaries, will be subject to such deductions, clawback, recoupment or recovery as may be required to be made pursuant to applicable law or regulation, stock exchange listing requirement or any clawback, recoupment, recovery or similar policy adopted by the Company or any of its subsidiaries from time to time.

10. **Consent to Jurisdiction.** The parties hereby consent to the jurisdiction of the Superior Court of the State of Rhode Island and the United States District Court for the District of Rhode Island and their respective appellate courts. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction or service of process. **ANY ACTION, DEMAND, CLAIM OR COUNTERCLAIM ARISING UNDER OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT WITH THE COMPANY, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF DISCRIMINATION ARISING UNDER STATE OR FEDERAL LAW, WILL BE RESOLVED BY A JUDGE ALONE AND EACH OF THE COMPANY AND THE EXECUTIVE WAIVES ANY RIGHT TO A JURY TRIAL THEREOF.**

11. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, as well as any offer letter, employment agreement or severance agreement, *provided* that the Equity Documents shall remain in full force and effect.

12. **Withholding; Tax Effect.** All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

13. **Successor to the Executive.** This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due him or her under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

14. **Enforceability.** If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. **Survival.** The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. **Severability.** If any of the provisions of this Agreement, including but not limited to the covenants in Section 7 of this Agreement, are deemed unenforceable by a court of competent jurisdiction because they are overly broad, then the court shall have the ability to modify the offending provision in order to make it enforceable. Should any term or provision of this Agreement be declared illegal, invalid or unenforceable by any court of competent jurisdiction and if such provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either of the parties.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its principal executive offices, attention of the Board.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (other than the Executive).

20. Governing Law. This Agreement is a Rhode Island contract and shall be construed under and be governed in all respects by the laws of the State of Rhode Island, without giving effect to the conflict of laws principles of the State of Rhode Island. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

22. Counsel. The Executive acknowledges and agrees that the Company has recommended that the Executive retain separate legal counsel to advise the Executive regarding the terms and conditions of this Agreement and that the Executive has had sufficient time to review, evaluate, understand and consult with separate legal counsel regarding the consequences of executing this Agreement. The Executive acknowledges and agrees that the Company's outside legal counsel, Foley Hoag LLP, and the Company's legal personnel represent the Company and not the Executive, that the Executive is not a client of any of the foregoing legal counsel and that none of the foregoing legal counsel owes the Executive any of the duties they would owe to a client.

23. Fees and Expenses. Except as expressly provided otherwise in this Agreement, each party shall bear all expenses incurred by such party in connection with the negotiation, execution, delivery and enforcement of this Agreement, including attorneys' fees and disbursements. Notwithstanding the foregoing, the Company will reimburse Executive for attorney's fees (up to \$5,000) and disbursements reasonably incurred by Executive in connection with the negotiation and documentation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

KVH Industries, Inc.

By: Cathy-Ann Martine-Dolecki
Name: Cathy-Ann Martine-Dolecki
Title: Chair of the Board

EXECUTIVE

/s/ Brent C. Bruun
Brent C. Bruun

Exhibit A
Prior Inventions

None.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (“**Agreement**”) is made as of May 2, 2022 between KVH Industries, Inc. a Delaware corporation (the “**Company**”), and Roger A. Kuebel (the “**Executive**”).

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions contained herein,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement until such employment is terminated in accordance with the provisions hereof (the “**Term**”). The Executive’s employment with the Company will continue to be “at will,” meaning that the Executive’s employment may be terminated by the Company or the Executive at any time and for any reason, subject to the terms of this Agreement.

(b) Position and Duties. During the Term, the Executive shall serve as the Chief Financial Officer of the Company, and shall have such powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the “**Board**”) consistent with the Executive’s position. The Executive shall report to the Chief Executive Officer. The Executive shall devote the Executive’s full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the prior approval of the Board (not to be unreasonably withheld), or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and, in the judgment of the Board, do not interfere with the Executive’s performance of the Executive’s duties to the Company.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive’s initial annual base salary shall be paid at the rate of \$325,000 per year. The Executive’s base salary shall be reviewed annually by the Board or the Compensation Committee of the Board (the “**Compensation Committee**”). The base salary in effect at any given time is referred to herein as the “**Base Salary**.” The Base Salary shall be payable in a manner that is consistent with the Company’s usual payroll practices for executive officers.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive’s target annual incentive compensation shall be fifty percent (50%) of the Executive’s Base Salary, which percentage may be modified from time to time by the Board or the Compensation Committee. The target annual incentive compensation in effect at any given time is referred to herein as the “**Target Bonus**.” Except as otherwise provided herein or as provided under applicable Company policy, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid. Target incentives do not constitute a promise of payment, and the Executive’s actual cash incentive compensation will depend in part on the performance of the

Company and the Executive, as determined by the Board or the Compensation Committee in its discretion.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's policies and employee benefit plans in effect from time to time, subject to the terms of such policies and plans and to the Company's ability to amend, modify, replace or terminate such policies and plans, including with respect to paid time off.

(e) Equity. The equity awards held by the Executive shall be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards held by the Executive (collectively, the "**Equity Documents**"); *provided, however*, and notwithstanding anything to the contrary in the Equity Documents, Section 4(b)(iii) of this Agreement shall apply in the event of a termination by the Company without Cause (as defined below) or by the Executive for Good Reason (as defined below), or, if either such event shall occur during a Change in Control Period (as defined below), Section 5(a)(iii) shall apply instead.

(f) Retention Compensation.

(i) If the Executive continues to serve as an employee of the Company from the date hereof through December 31, 2022 (the "**Retention Date**"), then (1) the Company shall pay the Executive a cash retention bonus (the "**Retention Bonus**") in an amount equal to seventy-five percent (75%) of Executive's Base Salary in effect on the date hereof, such Retention Bonus to be paid within thirty (30) days after the Retention Date in a manner that is consistent with the Company's usual payroll practices for executive officers and (2) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock option and other stock-based awards subject to vesting held by the Executive (collectively, the "**Equity Awards**") that would otherwise vest in the twelve (12) months after the Retention Date (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall on the Retention Date accelerate and become exercisable or non-forfeitable.

(ii) If before December 31, 2022, either (1) the Company shall terminate the employment of the Executive without Cause (as defined below) or (2) the Executive shall terminate the Executive's employment for Good Reason (as defined below), then the Company shall pay the Executive a pro rata portion of the Retention Bonus (based on (x) the number of days the Executive was employed by the Company between the date of this Agreement and the Date of Termination, divided by (y) the number of days between the date of this Agreement and December 31, 2022) (the "**Partial Retention Bonus**"), such Partial Retention Bonus to be paid in the form of a continuation of the Executive's regular salary payments (and in a manner that is consistent with the Company's usual payroll practices for executive officers) until the full amount of such Partial Retention Bonus shall have been paid. If the Executive shall subsequently become entitled to receive the full amount of the Retention Bonus pursuant to the following Section 2(f)(iii), then the Executive shall receive no further payments under this Section 2(f)(ii), and any amounts theretofore paid under this Section 2(f)(ii) shall be credited toward the payment of the full amount of the Retention Bonus.

(iii) If (1) before December 31, 2022 either (A) the Company shall terminate the employment of the Executive without Cause (as defined below) or (B) the Executive shall terminate the Executive's employment for Good Reason (as defined below) and (2) before or after December 31, 2022, the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), then the Executive shall receive the full amount of the Retention Bonus pursuant to Section 2(f)(i), and, solely for purposes of determining the timing of payment of the Retention Bonus, the Retention Date shall be the later of the date of such Change of Control or the date of such termination.

(g) Total Compensation. Except as expressly set forth in Section 4 or Section 5 or as provided under applicable Company policy, the Executive shall not receive any compensation or benefits from the Company other than as provided in this Section 2.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then-existing position or positions under this Agreement with or without reasonable accommodation as required by law for a period of one hundred twenty (120) days (which need not be consecutive) in any twelve (12) month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then-existing position or positions with or without reasonable accommodation as required by law, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled and, if so, how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification promptly after a request therefor, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. Any determination of Cause will be made by a resolution approved by a majority of the members of the Board. For purposes of this Agreement, "**Cause**" shall mean:

(i) any breach of fiduciary duties to the Company or any of its subsidiaries by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or such subsidiary;

(ii) the commission by the Executive of any felony or any crime (whether or not a felony) involving moral turpitude, deceit, or fraud, or any reckless or willful misconduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries if the Executive were to be retained in the Executive's position;

(iii) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries, other than the occasional, customary and de minimis use of such property for personal purposes;

(iv) illegal or controlled substance abuse or repeated insobriety by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries;

(v) the Executive's material negligence or dereliction in the performance of, or failure or refusal to perform, the Executive's material duties of employment with the Company (for reasons other than disability), which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof;

(vi) a material breach by the Executive of any provision of this Agreement, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof;

(vii) a material violation by the Executive of the Company's written policies and procedures in effect from time to time, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof; or

(viii) the Executive's refusal or failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the Executive's inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof.

In addition, the Executive's employment shall be deemed to have terminated for Cause if, on the Date of Termination (as defined below), facts and circumstances exist that would have justified a termination for Cause, even if such facts and circumstances are discovered after such termination; provided that such discovery occurs within six months following the Date of Termination.

Notwithstanding the foregoing, any action or inaction taken by Executive based upon Executive's reasonable reliance on advice of counsel to the Company or the direction of the Board of Directors will not form the basis for Cause. For the avoidance of doubt, "Cause" does not exist solely due to any failure to achieve any performance targets, whether relating to Executive, the Company, or otherwise.

(d) Termination without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or Section 3(c) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate the Executive's employment hereunder at any time for any reason, including but not limited to Good

Reason. For purposes of this Agreement, “**Good Reason**” shall mean that the Executive has complied with the Good Reason Process (as defined below) following the occurrence of any of the following events without the Executive’s prior approval:

(i) a material diminution in the Executive’s title, responsibilities or authority, or the assignment to the Executive of responsibilities materially inconsistent with the responsibilities customarily associated with the Executive’s position(s) at the Company; *provided, however*, that the following changes in responsibilities or authority shall not constitute a material diminution: a suspension, with pay, of some or all the Executive’s responsibilities and authority in connection with any allegation that the Executive has engaged in wrongdoing or any investigation thereof, including without limitation any assessment of whether the Company has Cause for termination of the Executive’s employment;

(ii) a reduction of the Executive’s Base Salary, except for any reduction similarly affecting all or substantially all executive officers of the Company;

(iii) a change in the geographic location at which the Executive is regularly required to provide services to the Company by more than 25 miles (other than requirements for travel commensurate with the Executive’s position); or

(iv) a material breach of this Agreement by the Company or a material failure to pay compensation when due.

“**Good Reason Process**” shall mean that (i) the Executive notifies the Company in writing of the occurrence of the Good Reason condition within ninety (90) days after the Executive first knows, or should have known, of such condition; (ii) the Executive cooperates in good faith with the Company’s efforts, for a period not less than thirty (30) days following such notice (the “**Cure Period**”), to remedy the condition; (iii) notwithstanding such efforts, the Good Reason condition continues to exist at the end of the Cure Period; and (iv) the Executive terminates the Executive’s employment within ninety (90) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive’s employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a “**Notice of Termination**” shall mean a notice of termination of employment which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. “**Date of Termination**” shall mean:

(i) if the Executive’s employment is terminated by the Executive’s death, the date of the Executive’s death;

(ii) if the Executive’s employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given;

(iii) if the Executive’s employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination;

(iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, thirty (30) days after the date on which a Notice of Termination is given; and

(v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period.

Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(h) Other Positions. Upon termination of the Executive's employment for any reason, the Executive shall immediately (and with immediate effect) resign any offices or other positions that the Executive may hold with the Company or any subsidiary of the Company, unless the Company shall otherwise agree in writing.

(i) No Duty to Mitigate. The Executive shall have no duty to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that the Executive may receive from any other source reduce any such payment.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination, unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) and unused vacation or paid time off that accrued through the Date of Termination, which amounts shall be paid on or before the time required by law but in no event more than thirty (30) days after the Executive's Date of Termination; (ii) any cash-based annual incentive award earned but unpaid with respect to a fiscal year ending on or before the Date of Termination, and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "**Accrued Benefits**").

(b) Termination by the Company without Cause or by the Executive for Good Reason. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), then the Company shall pay the Executive the Executive's Accrued Benefits. In addition, subject to (i) the Executive signing a separation agreement and release in a form provided by the Company (the "**Separation Agreement and Release**"), which the Executive shall have twenty-one (21) calendar days (or forty-five (45) calendar days in the event of a group termination) to consider signing and seven (7) business days after signing to revoke acceptance and which shall include, without limitation, a general release of claims, a reaffirmation of the restrictive covenants in Section 7 hereof, and a statement that if the Executive breaches any provision of this Agreement or other restrictive covenants then in effect, all payments hereunder (other than the Accrued Benefits) shall immediately cease, and (ii) the Separation Agreement and Release becoming irrevocable, all within the time frame set forth in the Separation Agreement and Release but in no event later than sixty (60) days after the Date of Termination:

(i) the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary at the highest rate in effect during the twelve (12) months before the Date of Termination;

(ii) the Company shall pay the Executive a lump sum in cash in an amount equal to a pro rata portion (based on the number of days the Executive was employed by the Company in the calendar year in which the Date of Termination occurs divided by 365) of the Executive's Target Bonus in effect for such calendar year (the amounts contemplated by Section 4(b)(i) and this Section 4(b)(ii), collectively, the "**Base Severance Amount**");

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Equity Awards that would have vested had the Executive remained employed by the Company for an additional twelve (12) months after the Date of Termination (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall immediately accelerate and become exercisable or non-forfeitable as of the later of (i) the Date of Termination or (ii) the effective date of the Separation Agreement and Release (the "**Accelerated Vesting Date**"); *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the earlier of the effective date of the Separation Agreement and Release or the end of the sixty (60) day period following the Date of Termination, and such termination or forfeiture will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Equity Awards (other than the acceleration provided pursuant to this Section 4(b)(iii)) shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) subject to the Executive's copayment of premium amounts at the active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), the Company shall pay the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; *provided, however*, if the Company determines that it cannot pay such amounts without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), incurring penalties under applicable law or creating adverse tax consequences for participants in the Company's health insurance plans, then the Company will convert such payments to taxable payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amount payable under Section 4(b)(ii) shall be paid within thirty (30) days after the Separation Agreement and Release becomes irrevocable. The other amounts payable under this Section 4(b) shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within sixty (60) days after the Date of Termination; *provided, however*, that if the sixty (60) day period begins in one (1) calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such sixty (60) day period; *provided, further*, that the

initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination.

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations in connection with a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to the Executive's assigned duties and the Executive's objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within six (6) months before, or within twelve (12) months after, the occurrence of the first event constituting a Change in Control (the "**Change in Control Period**"). For the avoidance of doubt, any severance pay and benefits that may have been received under Section 4(b) shall be credited against any severance pay and benefits payable under this Section 5. The provisions of this Section 5 shall terminate and be of no further force or effect beginning after the Change in Control Period has ended.

(a) Change in Control. During the Term, if during the Change in Control Period, the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), then, subject to (i) the Executive signing the Separation Agreement and Release, (ii) the Separation Agreement and Release becoming irrevocable, all within the time frame set forth in the Separation Agreement and Release but in no event more than sixty (60) days after the Date of Termination and (iii) if the Date of Termination occurs before the consummation of the first event constituting a Change in Control, the consummation of such Change in Control:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to one and one-half (1.5) times the sum of (A) twelve (12) months of the Executive's Base Salary at the highest rate in effect during the twelve (12) months before the Date of Termination plus (B) the Executive's Target Bonus for the then-current year;

(ii) the Company shall pay the Executive a lump sum in cash in an amount equal to a pro rata portion (based on the number of days the Executive was employed by the Company in the calendar year in which the Date of Termination occurs divided by 365) of the Executive's Target Bonus in effect for such calendar year (the amounts contemplated by Section 5(a)(i) and this Section 5(a)(ii), collectively, the "**Change in Control Severance Amount**");

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Equity Awards (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall immediately accelerate and become fully exercisable or non-forfeitable as of the latest of (i) the Date of Termination, (ii) the Accelerated Vesting Date and (iii) the consummation of such Change in Control; *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the later of the Accelerated Vesting Date and the date of consummation of such Change in Control and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein or the failure of such Change in Control to be consummated within the time period set forth in this Section 5 (the "**Delay Period**"). Notwithstanding the foregoing, no additional vesting of the Equity Awards

(other than the acceleration provided pursuant to this Section 5(a)(iii)) shall occur during the Delay Period; and

(iv) subject to the Executive's copayment of premium amounts at the active employees' rate and the Executive's proper election to receive benefits under COBRA, the Company shall pay the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the eighteen (18) month anniversary of the Date of Termination, (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan or (C) the cessation of the Executive's continuation rights under COBRA; *provided, however*, if the Company determines that it cannot pay such amounts without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), incurring penalties under applicable law or creating adverse tax consequences for participants in the Company's health insurance plans, then the Company will convert such payments to taxable payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts and benefits payable under this Section 5(a) shall be paid or commence to be paid within sixty (60) days after the later of the Date of Termination and the date of such Change in Control; *provided, however*, that if the sixty (60) day period begins in one (1) calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such sixty (60) day period.

(b) Additional Limitation.

(i) Notwithstanding anything in this Agreement to the contrary, if the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the applicable regulations thereunder (the "**Aggregate Payments**"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After-Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) non-cash forms of benefits and (4) equity-based payments and acceleration; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "**After-Tax Amount**" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After-Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal

income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the “**Accounting Firm**”), which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days after the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, “**Change in Control**” shall have the same meaning as “Change of Control,” “Change in Control” or any similar phrase provided in the Company’s then-most recently adopted equity incentive plan, as amended from time to time.

6. Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, if at the time of the Executive’s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive’s separation from service would be considered deferred compensation otherwise subject to the twenty percent (20%) additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six (6) months and one (1) day after the Executive’s separation from service, or (B) the Executive’s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six (6) month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one (1) taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive’s termination of employment, then such payments or benefits shall be payable only upon the Executive’s “separation from service.” The determination of whether and when a separation from service shall have occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Confidential Information and Goodwill; Inventions and Assignment; Restrictive Covenants.

(a) Confidential Information and Goodwill. In consideration of the Executive's promises and covenants contained in this Agreement, including the Executive's promise and covenant not to disclose Confidential Information (as defined below), the Company will provide the Executive with Confidential Information. In further consideration of the Executive's promises and covenants contained in this Agreement, including the Executive's promise and covenant to utilize the Goodwill (as defined below) exclusively for the benefit of the Company and its subsidiaries, the Company will allow the Executive to receive Confidential Information concerning the Company's and its subsidiaries' technology, customers, vendors and employees and, to the extent required to fulfill the Executive's duties, the Company will permit the Executive to represent the Company on its behalf with such persons. To the extent that the Executive's duties involve sales or customer relations, the Company will permit the Executive to utilize the Goodwill in the Executive's sales efforts.

(b) Duties. While employed by the Company, the Executive shall perform the duties required of the Executive hereunder and, except as otherwise permitted by Section 1(b), shall devote the Executive's reasonable best efforts and exclusive business time, energy and skill to performing such duties; not make any disparaging remarks regarding the Company or any of its subsidiaries to any person with whom the Company has business relations, including any customer, vendor or employee of the Company or any of its subsidiaries; use the Goodwill solely for the benefit of the Company and its subsidiaries; and not interfere in such Goodwill, either during or after the Executive's employment with the Company.

(c) Delivery of Company Property. The Executive recognizes that all documents, electronic media and other tangible items which contain Confidential Information are the property of the Company or any of its subsidiaries exclusively. Upon request by the Company or termination of the Executive's employment with the Company, the Executive shall promptly return to the Company all Confidential Information and Company Property within the Executive's possession or control, and shall refrain from taking any Confidential Information or Company Property or allowing any Confidential Information or Company Property to be taken from the Company.

(d) Promise and Covenant Not to Disclose. The parties acknowledge that the Company and its subsidiaries are the sole and exclusive owners of the Confidential Information, as applicable, and that the Company and its subsidiaries have legitimate business interests in protecting the Confidential Information. The parties further acknowledge that the Company and its subsidiaries have invested, and continue to invest, considerable amounts of time and money in

obtaining, developing, and preserving the confidentiality of the Confidential Information and that, by reason of the trust relationship arising between the Executive and the Company, the Executive owes the Company a fiduciary duty to preserve and protect the Confidential Information from all unauthorized disclosure and unauthorized use. The Executive shall not, directly or indirectly, disclose Confidential Information to any third party (except to the Executive's attorneys, the Company's personnel, the Company's attorneys and other persons designated in writing by the Company, or except as otherwise provided by law or directed or authorized by the Chief Executive Officer or his or her authorized delegate or use Confidential Information for any purpose other than for the direct benefit of the Company and its subsidiaries while in the Company's employ and thereafter. The Executive shall comply with the terms of any confidentiality, non-disclosure or similar agreement between the Company or any of its subsidiaries and any third party to the extent applicable to information obtained by the Executive.

(e) Inventions and Assignment. The Executive agrees that he or she will promptly disclose to the Company any and all Company Inventions, and the Executive hereby irrevocably assigns, and agrees to assign promptly upon the request of the Company, to the Company all of the Executive's right, title, interest and other ownership rights in and to any and all Company Inventions. During the Executive's employment or at any time thereafter, upon request of the Company, the Executive will sign, execute and deliver any and all documents or instruments, including, without limitation, patent applications, declarations, invention assignments and copyright assignments, and will take any other action which the Company shall deem necessary to perfect in the Company trademark, copyright or patent rights with respect to Company Inventions, or to otherwise protect the Company's trade secrets and proprietary interests. The term "**Inventions**" means discoveries, developments, trade secrets, processes, formulas, data, lists, software programs, graphics, artwork, logos, works of authorship, ideas, concepts, know-how, designs and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property laws or industrial property laws in the United States or elsewhere. The term "**Company Inventions**" means all Inventions that (i) relate to the business or proposed business of the Company or any of its subsidiaries or that are discovered, developed, created, conceived, reduced to practice, made, learned or written by the Executive, either alone or jointly with others, in the course of the Executive's employment; (ii) utilize, incorporate or otherwise relate to Confidential Information; or (iii) are discovered, developed, created, conceived, reduced to practice, made, learned or written by the Executive using property or equipment of the Company or any of its subsidiaries. The Executive agrees to promptly and fully communicate in writing to the Company (to such department or officer of the Company and in accordance with such procedures as the Company may direct from time to time) any and all Company Inventions. The Executive acknowledges and agrees that any work of authorship by the Executive or others comprising Company Inventions shall be deemed to be a "work made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101 (2000)). To the extent that any such work of authorship may not be deemed to be a work made for hire, the Executive hereby irrevocably assigns, and agrees to assign promptly upon the request of the Company, to the Company any and all right, title and interest and other ownership rights the Executive may have in and to such work. This Agreement does not apply to any Inventions the Executive made before the Executive's employment with the Company. To clearly establish the Executive's rights, the Executive has listed on Exhibit A any Inventions, whether or not patentable or copyrightable and whether or not reduced to practice, made by the Executive prior to the Executive's employment with the Company that are owned by the Executive ("**Prior Inventions**"), together with the approximate dates of their creation. If no such list is attached, the Executive represents that there are no Prior Inventions.

(f) Other Promises and Covenants.

(i) The Executive agrees that, during the Executive's employment with the Company and for a period of twelve (12) months (or, if the Executive shall

become entitled to receive the severance pay and benefits provided for in Section 5(a), eighteen (18) months) following the Date of Termination (the “**Non-Competition Period**”), the Executive shall not, directly or indirectly, on the Executive’s own or another’s behalf, engage in or assist others in any of the following activities (except on behalf of the Company):

(1) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend the Executive’s name to, lend the Executive’s credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; or

(2) provide or develop any products, technology or services that are the same as or Substantially Similar to the products, technology and services provided or developed by the Company or any of its subsidiaries.

(ii) If the Executive shall breach his or her obligations under Section 7(f)(i), the Non-Competition Period shall automatically be extended by a period equal to the period commencing on the first breach of such obligations and ending when all such breaches shall have been cured.

(iii) During the Executive’s employment with the Company and for a period of twelve (12) months (or, if the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), eighteen (18) months) following termination of employment for any reason (the “**Non-Solicitation Period**”), the Executive shall not, directly or indirectly, on the Executive’s own or another’s behalf, engage in or assist others in any of the following activities:

(1) solicit, induce or encourage any customer, distributor, agent, supplier, licensee, or business relation of the Company or any of its subsidiaries to cease doing business with the Company or any of its subsidiaries, or in any way interfere with the relationship between any such customer, distributor, agent, supplier, licensee, or business relation and the Company or any of its subsidiaries;

(2) on behalf of a Competing Business, solicit the business or patronage of any Person who is a customer, Prospective Customer, distributor or agent of the Company or any of its subsidiaries at any time during the twelve (12) months before the Date of Termination, whether or not the Executive had personal contact with such Person;

(3) solicit, induce or encourage any employee, independent contractor or agent of the Company or any of its subsidiaries to terminate the employment or other business relationship of such employee, independent contractor or agent with the Company or any such subsidiary;

(4) in any way interfere with the employment or other business relationship between the Company or any of its subsidiaries, on the one hand, and any employee, independent contractor or agent of the Company or any such subsidiary, on the other hand;

(5) employ, or otherwise engage as an employee, independent contractor, agent or otherwise, any individual who was an employee, independent contractor or agent of the Company or any of its subsidiaries, or was otherwise

affiliated with the Company or any of its subsidiaries, at any time during the twelve (12) months before the Date of Termination; *provided* that an employee, independent contractor, or agent shall cease to be covered by this paragraph twelve (12) months following the date of termination of employment or service of such employee, independent contractor, or agent; or

- (6) attempt to do any of the foregoing.

provided, however, that nothing set forth in this Section 7 shall prohibit the Executive from (A) owning, as a passive investment, less than one percent (1%) in the aggregate of any class of capital stock of any corporation if such stock is listed on any national securities exchange, (B) commencing employment with, or providing services to, a subsidiary, division or unit of any entity that engages in the Competing Business so long as the Executive does not perform services for the entity that is engaged in the Competing Business, or (C) initiating bona fide job advertisements of general circulation (including general postings on internet job sites) for employment or service not targeted to employees, independent contractors or agents of the Company or any of its subsidiaries.

(iv) If the Executive shall breach his or her obligations under Section 7(f)(iii), the Non-Solicitation Period shall automatically be extended by a period equal to the period commencing on the first breach of such obligations and ending when all such breaches shall have been cured.

- (g) Definitions. For purposes hereof:

(i) “**Company Business**” means (1) any business related to the development, engineering, manufacture, marketing, distribution or sale of products, services or solutions for the mobile satellite communications industry, including the provision of Internet, Internet of Things (IoT), television or voice services via satellite or land-based communication to mobile users at sea, on land or in the air, as well as tools to increase communication efficiency, reduce costs and manage network operations; (2) any business related to the provision of commercially licensed entertainment, including news, sports, music, training and movies, to commercial or leisure customers in the maritime, hotel or retail markets; (3) any business related to the development, engineering, manufacture, marketing, distribution or sale of navigations sensors and systems or inertial sensors and systems for defense or commercial applications, including self-driving vehicles; and (4) any other business that the Company or any of its subsidiaries is actively engaged in researching, developing, offering, providing or marketing at the time of the Date of Termination.

(ii) “**Company Property**” means all physical materials, documents, information, keys, computer software and hardware, including laptop computers and mobile or handheld computers, manuals, databases, product samples, tapes, magnetic media, technical notes and any other equipment or items which the Company or any of its subsidiaries provides for or to the Executive or which otherwise belong to the Company or any of its subsidiaries, and those documents and items which the Executive may develop or help develop while in the Company’s employ, whether or not developed during regular working hours or on the premises of the Company or any of its subsidiaries. The term “**Company Property**” shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(iii) “**Competing Business**” means any Entity engaged in any portion of the Company Business, other than the Company and its subsidiaries.

(iv) “**Confidential Information**” means the trade secrets and other information of the Company and its subsidiaries, including but not limited to (1) customer lists, customer contact information, customer purchase information, pricing information, strategic and marketing plans, compilations of customer information, names of employees, contracts with third parties, training, financial and marketing books, sales projections, internal employer databases, reports, manuals and information, including information related to the Company, its subsidiaries or its customers, including those documents and items which any employee may develop or help develop while in the employ of the Company or any of its subsidiaries, whether or not developed during regular working hours or on the premises of the Company or such subsidiary; (2) the identity, skills, personnel file information, performance appraisals and compensation of job applicants, employees, contractors, and consultants; (3) specialized training, technical and other business information; (4) source code, scripts, user screens, reports or any other information pertaining to the internal information technology or network of the Company and/or its subsidiaries; (5) information related to inventions owned by the Company or any of its subsidiaries or licensed from third parties; (6) information held in confidence by the Company or any of its subsidiaries or which might provide the Company, any of its subsidiaries or its or their customers a competitive advantage over others who do not have access to such information; and (7) similar information of third parties held by the Company or any of its subsidiaries. Unless the context requires otherwise, the term “Confidential Information” shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials. Information that is or becomes generally available publicly other than directly or indirectly through disclosure by Executive in violation of this Agreement shall thereafter cease to be Confidential Information.

(v) “**Entity**” means and includes any person, partnership, association, corporation, limited liability company, trust, unincorporated organization or any other business entity or enterprise.

(vi) “**Geographic Area**” means those jurisdictions in which the Company or any of its subsidiaries conducts business or in which its products, services or solutions are being sold or marketed at the time of the termination of the Executive’s employment.

(vii) “**Goodwill**” means the value of the relationships between the Company and its subsidiaries, on the one hand, and the customers, distributors, agents, suppliers, licensees, employees or other business relations of the Company or any of its subsidiaries, and others with which the Company or any of its subsidiaries does business, on the other hand.

(viii) “**Prospective Customer**” means any person or Entity identified as a potential customer of the Company or any of its subsidiaries to which the Company or any of its subsidiaries, through any of its employees or agents, has made a business proposal within the twelve (12) months prior to the Date of Termination.

(ix) “**Substantially Similar**” means substantially similar in function or capability or otherwise competitive to the products, services or solutions that are being developed, manufactured or sold by the Company or any of its subsidiaries at any time during the three (3) years before the termination of the Executive’s employment for any reason, or that are marketed to substantially the same type of user or customer as that to which the products, services and solutions of the Company or any of its subsidiaries are marketed during the three (3) years before the termination of the Executive’s employment

for any reason or proposed to be marketed during the one (1) year after the termination of the Executive's employment for any reason.

(h) Acknowledgements Regarding Other Promises and Covenants. With regard to the promises and covenants set forth herein, the Executive acknowledges and agrees that:

(i) the restrictions are ancillary to an otherwise enforceable agreement, including the provisions of this Agreement regarding the disclosure, ownership and use of the Confidential Information and Goodwill of the Company;

(ii) the limitations as to time, geographical area, and scope of activity to be restricted are reasonable and acceptable to the Executive, and do not impose any greater restraint than is reasonably necessary to protect the Goodwill and other legitimate business interests of the Company;

(iii) the promises and covenants are supported by mutually-upon consideration as set forth in Sections 2, 4 and 5 above;

(iv) the performance by the Executive, and the enforcement by the Company, of such promises and covenants will cause no undue hardship on the Executive; and

(v) the time periods covered by the promises and covenants will not include any period(s) of violation of such promises or covenants.

(i) Duty to Give Notice of Agreement. During employment by the Company and the period of any post-employment obligation applicable hereunder, the Executive shall provide written notice to any prospective employer of the Executive's obligations under this Agreement then in effect, and shall provide a true copy hereof to such prospective employer at the outset of any communications about employment.

(j) Independent Elements. The parties acknowledge that the promises and covenants contained in this Section 7 are essential independent elements of this Agreement and that, but for the Executive agreeing to comply with them, the Company would not enter into this Agreement. Accordingly, the existence or assertion of any claim by the Executive against the Company, whether based on this Agreement or otherwise, shall not operate as a defense to the Company's enforcement of the promises and covenants in Section 7. An alleged or actual breach of the Agreement by the Company will not be a defense to enforcement of any such promise or covenant, or other obligations of the Executive to the Company. The promises and covenants in this Section 7 will remain in full force and effect regardless of whether the Executive's employment is terminated by the Company or by the Executive.

(k) Remedies for Breach of Agreement. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 7, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company and without posting any bond.

8. Other Agreements; Cooperation.

(a) Third-Party Agreements and Rights. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's duties for the Company do not and will not violate any obligations the Executive may have to any previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any previous employer or other party, and the Executive will not bring to the premises of the Company or any of its subsidiaries any copies or other tangible embodiments of non-public information belonging to or obtained from any previous employer or other party.

(b) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate with the Company and its subsidiaries in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company or any of its subsidiaries which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being reasonably available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company or any of its subsidiaries at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. Any cooperation services hereunder shall be scheduled to take into account the Executive's personal and professional obligations at such time. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(b).

(c) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "**Government Agency**") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement for the disclosure of a trade secret that (i) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Compensation Recovery. Notwithstanding any other provision in this Agreement to the contrary, the Executive acknowledges and agrees that any incentive-based compensation, or any other compensation, paid to the Executive, whether or not pursuant to this Agreement or any other agreement or arrangement with the Company or any of its subsidiaries, will be subject to such deductions, clawback, recoupment or recovery as may be required to be made pursuant to applicable law or regulation, stock exchange listing requirement or any clawback, recoupment, recovery or similar policy adopted by the Company or any of its subsidiaries from time to time.

10. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the Superior Court of the State of Rhode Island and the United States District Court for the District

of Rhode Island and their respective appellate courts. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction or service of process. **ANY ACTION, DEMAND, CLAIM OR COUNTERCLAIM ARISING UNDER OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT WITH THE COMPANY, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF DISCRIMINATION ARISING UNDER STATE OR FEDERAL LAW, WILL BE RESOLVED BY A JUDGE ALONE AND EACH OF THE COMPANY AND THE EXECUTIVE WAIVES ANY RIGHT TO A JURY TRIAL THEREOF.**

11. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, as well as any offer letter, employment agreement or severance agreement, *provided* that the Equity Documents shall remain in full force and effect.

12. **Withholding; Tax Effect.** All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

13. **Successor to the Executive.** This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due him or her under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

14. **Enforceability.** If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. **Survival.** The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. **Severability.** If any of the provisions of this Agreement, including but not limited to the covenants in Section 7 of this Agreement, are deemed unenforceable by a court of competent jurisdiction because they are overly broad, then the court shall have the ability to modify the offending provision in order to make it enforceable. Should any term or provision of this Agreement be declared illegal, invalid or unenforceable by any court of competent jurisdiction and if such provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either of the parties.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its principal executive offices, attention of the Board.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (other than the Executive).

20. Governing Law. This Agreement is a Rhode Island contract and shall be construed under and be governed in all respects by the laws of the State of Rhode Island, without giving effect to the conflict of laws principles of the State of Rhode Island. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

22. Counsel. The Executive acknowledges and agrees that the Company has recommended that the Executive retain separate legal counsel to advise the Executive regarding the terms and conditions of this Agreement and that the Executive has had sufficient time to review, evaluate, understand and consult with separate legal counsel regarding the consequences of executing this Agreement. The Executive acknowledges and agrees that the Company's outside legal counsel, Foley Hoag LLP, and the Company's legal personnel represent the Company and not the Executive, that the Executive is not a client of any of the foregoing legal counsel and that none of the foregoing legal counsel owes the Executive any of the duties they would owe to a client.

23. Fees and Expenses. Except as expressly provided otherwise in this Agreement, each party shall bear all expenses incurred by such party in connection with the negotiation, execution, delivery and enforcement of this Agreement, including attorneys' fees and disbursements. Notwithstanding the foregoing, the Company will reimburse Executive for attorney's fees (up to \$5,000) and disbursements reasonably incurred by Executive in connection with the negotiation and documentation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

KVH Industries, Inc.

By: /s/ Cathy-Ann Martine-Dolecki
Name: Cathy-Ann Martine-Dolecki
Title: Chair of the Board

EXECUTIVE

/s/ Roger A. Kuebel
Roger A. Kuebel

Exhibit A
Prior Inventions

None.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (“**Agreement**”) is made as of May 2, 2022 between KVH Industries, Inc. a Delaware corporation (the “**Company**”), and Felise B. Feingold (the “**Executive**”).

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions contained herein,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement until such employment is terminated in accordance with the provisions hereof (the “**Term**”). The Executive’s employment with the Company will continue to be “at will,” meaning that the Executive’s employment may be terminated by the Company or the Executive at any time and for any reason, subject to the terms of this Agreement.

(b) Position and Duties. During the Term, the Executive shall serve as the Senior Vice President, General Counsel, Compliance Officer, Data Privacy Officer and Secretary of the Company, and shall have such powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the “**Board**”) consistent with the Executive’s position. The Executive shall report to the Chief Executive Officer. The Executive shall devote the Executive’s full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the prior approval of the Board (not to be unreasonably withheld), or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and, in the judgment of the Board, do not interfere with the Executive’s performance of the Executive’s duties to the Company.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive’s initial annual base salary shall be paid at the rate of \$311,613 per year. The Executive’s base salary shall be reviewed annually by the Board or the Compensation Committee of the Board (the “**Compensation Committee**”). The base salary in effect at any given time is referred to herein as the “**Base Salary**.” The Base Salary shall be payable in a manner that is consistent with the Company’s usual payroll practices for executive officers.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive’s target annual incentive compensation shall be fifty percent (50%) of the Executive’s Base Salary, which percentage may be modified from time to time by the Board or the Compensation Committee. The target annual incentive compensation in effect at any given time is referred to herein as the “**Target Bonus**.” Except as otherwise provided herein or as provided under applicable Company policy, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid. Target incentives do not constitute a promise of payment, and the Executive’s actual cash incentive compensation will depend in part on the performance of the

Company and the Executive, as determined by the Board or the Compensation Committee in its discretion.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's policies and employee benefit plans in effect from time to time, subject to the terms of such policies and plans and to the Company's ability to amend, modify, replace or terminate such policies and plans, including with respect to paid time off.

(e) Equity. The equity awards held by the Executive shall be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards held by the Executive (collectively, the "**Equity Documents**"); *provided, however*, and notwithstanding anything to the contrary in the Equity Documents, Section 4(b)(iii) of this Agreement shall apply in the event of a termination by the Company without Cause (as defined below) or by the Executive for Good Reason (as defined below), or, if either such event shall occur during a Change in Control Period (as defined below), Section 5(a)(iii) shall apply instead.

(f) Retention Compensation.

(i) If the Executive continues to serve as an employee of the Company from the date hereof through December 31, 2022 (the "**Retention Date**"), then (1) the Company shall pay the Executive a cash retention bonus (the "**Retention Bonus**") in an amount equal to seventy-five percent (75%) of Executive's Base Salary in effect on the date hereof, such Retention Bonus to be paid within thirty (30) days after the Retention Date in a manner that is consistent with the Company's usual payroll practices for executive officers and (2) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock option and other stock-based awards subject to vesting held by the Executive (collectively, the "**Equity Awards**") that would otherwise vest in the twelve (12) months after the Retention Date (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall on the Retention Date accelerate and become exercisable or non-forfeitable.

(ii) If before December 31, 2022, either (1) the Company shall terminate the employment of the Executive without Cause (as defined below) or (2) the Executive shall terminate the Executive's employment for Good Reason (as defined below), then the Company shall pay the Executive a pro rata portion of the Retention Bonus (based on (x) the number of days the Executive was employed by the Company between the date of this Agreement and the Date of Termination, divided by (y) the number of days between the date of this Agreement and December 31, 2022) (the "**Partial Retention Bonus**"), such Partial Retention Bonus to be paid in the form of a continuation of the Executive's regular salary payments (and in a manner that is consistent with the Company's usual payroll practices for executive officers) until the full amount of such Partial Retention Bonus shall have been paid. If the Executive shall subsequently become entitled to receive the full amount of the Retention Bonus pursuant to the following Section 2(f)(iii), then the Executive shall receive no further payments under this Section 2(f)(ii), and any amounts theretofore paid under this Section 2(f)(ii) shall be credited toward the payment of the full amount of the Retention Bonus.

(iii) If (1) before December 31, 2022 either (A) the Company shall terminate the employment of the Executive without Cause (as defined below) or (B) the Executive shall terminate the Executive's employment for Good Reason (as defined below) and (2) before or after December 31, 2022, the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), then the Executive shall receive the full amount of the Retention Bonus pursuant to Section 2(f)(i), and, solely for purposes of determining the timing of payment of the Retention Bonus, the Retention Date shall be the later of the date of such Change of Control or the date of such termination.

(g) Total Compensation. Except as expressly set forth in Section 4 or Section 5 or as provided under applicable Company policy, the Executive shall not receive any compensation or benefits from the Company other than as provided in this Section 2.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then-existing position or positions under this Agreement with or without reasonable accommodation as required by law for a period of one hundred twenty (120) days (which need not be consecutive) in any twelve (12) month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then-existing position or positions with or without reasonable accommodation as required by law, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled and, if so, how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification promptly after a request therefor, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. Any determination of Cause will be made by a resolution approved by a majority of the members of the Board. For purposes of this Agreement, "**Cause**" shall mean:

(i) any breach of fiduciary duties to the Company or any of its subsidiaries by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or such subsidiary;

(ii) the commission by the Executive of any felony or any crime (whether or not a felony) involving moral turpitude, deceit, or fraud, or any reckless or willful misconduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries if the Executive were to be retained in the Executive's position;

(iii) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries, other than the occasional, customary and de minimis use of such property for personal purposes;

(iv) illegal or controlled substance abuse or repeated insobriety by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries;

(v) the Executive's material negligence or dereliction in the performance of, or failure or refusal to perform, the Executive's material duties of employment with the Company (for reasons other than disability), which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof;

(vi) a material breach by the Executive of any provision of this Agreement, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof;

(vii) a material violation by the Executive of the Company's written policies and procedures in effect from time to time, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof; or

(viii) the Executive's refusal or failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the Executive's inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof.

In addition, the Executive's employment shall be deemed to have terminated for Cause if, on the Date of Termination (as defined below), facts and circumstances exist that would have justified a termination for Cause, even if such facts and circumstances are discovered after such termination; provided that such discovery occurs within six months following the Date of Termination.

Notwithstanding the foregoing, any action or inaction taken by Executive based upon Executive's reasonable reliance on advice of counsel to the Company or the direction of the Board of Directors will not form the basis for Cause. For the avoidance of doubt, "Cause" does not exist solely due to any failure to achieve any performance targets, whether relating to Executive, the Company, or otherwise.

(d) Termination without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or Section 3(c) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate the Executive's employment hereunder at any time for any reason, including but not limited to Good

Reason. For purposes of this Agreement, “**Good Reason**” shall mean that the Executive has complied with the Good Reason Process (as defined below) following the occurrence of any of the following events without the Executive’s prior approval:

(i) a material diminution in the Executive’s title, responsibilities or authority, or the assignment to the Executive of responsibilities materially inconsistent with the responsibilities customarily associated with the Executive’s position(s) at the Company; *provided, however*, that the following changes in responsibilities or authority shall not constitute a material diminution: a suspension, with pay, of some or all the Executive’s responsibilities and authority in connection with any allegation that the Executive has engaged in wrongdoing or any investigation thereof, including without limitation any assessment of whether the Company has Cause for termination of the Executive’s employment;

(ii) a reduction of the Executive’s Base Salary, except for any reduction similarly affecting all or substantially all executive officers of the Company;

(iii) a change in the geographic location at which the Executive is regularly required to provide services to the Company by more than 25 miles (other than requirements for travel commensurate with the Executive’s position); or

(iv) a material breach of this Agreement by the Company or a material failure to pay compensation when due.

“**Good Reason Process**” shall mean that (i) the Executive notifies the Company in writing of the occurrence of the Good Reason condition within ninety (90) days after the Executive first knows, or should have known, of such condition; (ii) the Executive cooperates in good faith with the Company’s efforts, for a period not less than thirty (30) days following such notice (the “**Cure Period**”), to remedy the condition; (iii) notwithstanding such efforts, the Good Reason condition continues to exist at the end of the Cure Period; and (iv) the Executive terminates the Executive’s employment within ninety (90) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive’s employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a “**Notice of Termination**” shall mean a notice of termination of employment which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. “**Date of Termination**” shall mean:

(i) if the Executive’s employment is terminated by the Executive’s death, the date of the Executive’s death;

(ii) if the Executive’s employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given;

(iii) if the Executive’s employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination;

(iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, thirty (30) days after the date on which a Notice of Termination is given; and

(v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period.

Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(h) Other Positions. Upon termination of the Executive's employment for any reason, the Executive shall immediately (and with immediate effect) resign any offices or other positions that the Executive may hold with the Company or any subsidiary of the Company, unless the Company shall otherwise agree in writing.

(i) No Duty to Mitigate. The Executive shall have no duty to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that the Executive may receive from any other source reduce any such payment.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination, unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) and unused vacation or paid time off that accrued through the Date of Termination, which amounts shall be paid on or before the time required by law but in no event more than thirty (30) days after the Executive's Date of Termination; (ii) any cash-based annual incentive award earned but unpaid with respect to a fiscal year ending on or before the Date of Termination, and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "**Accrued Benefits**").

(b) Termination by the Company without Cause or by the Executive for Good Reason. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), then the Company shall pay the Executive the Executive's Accrued Benefits. In addition, subject to (i) the Executive signing a separation agreement and release in a form provided by the Company (the "**Separation Agreement and Release**"), which the Executive shall have twenty-one (21) calendar days (or forty-five (45) calendar days in the event of a group termination) to consider signing and seven (7) business days after signing to revoke acceptance and which shall include, without limitation, a general release of claims, a reaffirmation of the restrictive covenants in Section 7 hereof, and a statement that if the Executive breaches any provision of this Agreement or other restrictive covenants then in effect, all payments hereunder (other than the Accrued Benefits) shall immediately cease, and (ii) the Separation Agreement and Release becoming irrevocable, all within the time frame set forth in the Separation Agreement and Release but in no event later than sixty (60) days after the Date of Termination:

(i) the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary at the highest rate in effect during the twelve (12) months before the Date of Termination;

(ii) the Company shall pay the Executive a lump sum in cash in an amount equal to a pro rata portion (based on the number of days the Executive was employed by the Company in the calendar year in which the Date of Termination occurs divided by 365) of the Executive's Target Bonus in effect for such calendar year (the amounts contemplated by Section 4(b)(i) and this Section 4(b)(ii), collectively, the "**Base Severance Amount**");

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Equity Awards that would have vested had the Executive remained employed by the Company for an additional twelve (12) months after the Date of Termination (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall immediately accelerate and become exercisable or non-forfeitable as of the later of (i) the Date of Termination or (ii) the effective date of the Separation Agreement and Release (the "**Accelerated Vesting Date**"); *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the earlier of the effective date of the Separation Agreement and Release or the end of the sixty (60) day period following the Date of Termination, and such termination or forfeiture will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Equity Awards (other than the acceleration provided pursuant to this Section 4(b)(iii)) shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) subject to the Executive's copayment of premium amounts at the active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), the Company shall pay the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; *provided, however*, if the Company determines that it cannot pay such amounts without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), incurring penalties under applicable law or creating adverse tax consequences for participants in the Company's health insurance plans, then the Company will convert such payments to taxable payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amount payable under Section 4(b)(ii) shall be paid within thirty (30) days after the Separation Agreement and Release becomes irrevocable. The other amounts payable under this Section 4(b) shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within sixty (60) days after the Date of Termination; *provided, however*, that if the sixty (60) day period begins in one (1) calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such sixty (60) day period; *provided, further*, that the

initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination.

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations in connection with a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to the Executive's assigned duties and the Executive's objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within six (6) months before, or within twelve (12) months after, the occurrence of the first event constituting a Change in Control (the "**Change in Control Period**"). For the avoidance of doubt, any severance pay and benefits that may have been received under Section 4(b) shall be credited against any severance pay and benefits payable under this Section 5. The provisions of this Section 5 shall terminate and be of no further force or effect beginning after the Change in Control Period has ended.

(a) Change in Control. During the Term, if during the Change in Control Period, the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), then, subject to (i) the Executive signing the Separation Agreement and Release, (ii) the Separation Agreement and Release becoming irrevocable, all within the time frame set forth in the Separation Agreement and Release but in no event more than sixty (60) days after the Date of Termination and (iii) if the Date of Termination occurs before the consummation of the first event constituting a Change in Control, the consummation of such Change in Control:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to one and one-half (1.5) times the sum of (A) twelve (12) months of the Executive's Base Salary at the highest rate in effect during the twelve (12) months before the Date of Termination plus (B) the Executive's Target Bonus for the then-current year;

(ii) the Company shall pay the Executive a lump sum in cash in an amount equal to a pro rata portion (based on the number of days the Executive was employed by the Company in the calendar year in which the Date of Termination occurs divided by 365) of the Executive's Target Bonus in effect for such calendar year (the amounts contemplated by Section 5(a)(i) and this Section 5(a)(ii), collectively, the "**Change in Control Severance Amount**");

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Equity Awards (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall immediately accelerate and become fully exercisable or non-forfeitable as of the latest of (i) the Date of Termination, (ii) the Accelerated Vesting Date and (iii) the consummation of such Change in Control; *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the later of the Accelerated Vesting Date and the date of consummation of such Change in Control and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein or the failure of such Change in Control to be consummated within the time period set forth in this Section 5 (the "**Delay Period**"). Notwithstanding the foregoing, no additional vesting of the Equity Awards

(other than the acceleration provided pursuant to this Section 5(a)(iii)) shall occur during the Delay Period; and

(iv) subject to the Executive's copayment of premium amounts at the active employees' rate and the Executive's proper election to receive benefits under COBRA, the Company shall pay the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the eighteen (18) month anniversary of the Date of Termination, (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan or (C) the cessation of the Executive's continuation rights under COBRA; *provided, however*, if the Company determines that it cannot pay such amounts without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), incurring penalties under applicable law or creating adverse tax consequences for participants in the Company's health insurance plans, then the Company will convert such payments to taxable payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts and benefits payable under this Section 5(a) shall be paid or commence to be paid within sixty (60) days after the later of the Date of Termination and the date of such Change in Control; *provided, however*, that if the sixty (60) day period begins in one (1) calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such sixty (60) day period.

(b) Additional Limitation.

(i) Notwithstanding anything in this Agreement to the contrary, if the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the applicable regulations thereunder (the "**Aggregate Payments**"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After-Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) non-cash forms of benefits and (4) equity-based payments and acceleration; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "**After-Tax Amount**" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After-Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal

income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the “**Accounting Firm**”), which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days after the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, “**Change in Control**” shall have the same meaning as “Change of Control,” “Change in Control” or any similar phrase provided in the Company’s then-most recently adopted equity incentive plan, as amended from time to time.

6. Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, if at the time of the Executive’s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive’s separation from service would be considered deferred compensation otherwise subject to the twenty percent (20%) additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six (6) months and one (1) day after the Executive’s separation from service, or (B) the Executive’s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six (6) month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one (1) taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive’s termination of employment, then such payments or benefits shall be payable only upon the Executive’s “separation from service.” The determination of whether and when a separation from service shall have occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Confidential Information and Goodwill; Inventions and Assignment; Restrictive Covenants.

(a) Confidential Information and Goodwill. In consideration of the Executive's promises and covenants contained in this Agreement, including the Executive's promise and covenant not to disclose Confidential Information (as defined below), the Company will provide the Executive with Confidential Information. In further consideration of the Executive's promises and covenants contained in this Agreement, including the Executive's promise and covenant to utilize the Goodwill (as defined below) exclusively for the benefit of the Company and its subsidiaries, the Company will allow the Executive to receive Confidential Information concerning the Company's and its subsidiaries' technology, customers, vendors and employees and, to the extent required to fulfill the Executive's duties, the Company will permit the Executive to represent the Company on its behalf with such persons. To the extent that the Executive's duties involve sales or customer relations, the Company will permit the Executive to utilize the Goodwill in the Executive's sales efforts.

(b) Duties. While employed by the Company, the Executive shall perform the duties required of the Executive hereunder and, except as otherwise permitted by Section 1(b), shall devote the Executive's reasonable best efforts and exclusive business time, energy and skill to performing such duties; not make any disparaging remarks regarding the Company or any of its subsidiaries to any person with whom the Company has business relations, including any customer, vendor or employee of the Company or any of its subsidiaries; use the Goodwill solely for the benefit of the Company and its subsidiaries; and not interfere in such Goodwill, either during or after the Executive's employment with the Company.

(c) Delivery of Company Property. The Executive recognizes that all documents, electronic media and other tangible items which contain Confidential Information are the property of the Company or any of its subsidiaries exclusively. Upon request by the Company or termination of the Executive's employment with the Company, the Executive shall promptly return to the Company all Confidential Information and Company Property within the Executive's possession or control, and shall refrain from taking any Confidential Information or Company Property or allowing any Confidential Information or Company Property to be taken from the Company.

(d) Promise and Covenant Not to Disclose. The parties acknowledge that the Company and its subsidiaries are the sole and exclusive owners of the Confidential Information, as applicable, and that the Company and its subsidiaries have legitimate business interests in protecting the Confidential Information. The parties further acknowledge that the Company and its subsidiaries have invested, and continue to invest, considerable amounts of time and money in

obtaining, developing, and preserving the confidentiality of the Confidential Information and that, by reason of the trust relationship arising between the Executive and the Company, the Executive owes the Company a fiduciary duty to preserve and protect the Confidential Information from all unauthorized disclosure and unauthorized use. The Executive shall not, directly or indirectly, disclose Confidential Information to any third party (except to the Executive's attorneys, the Company's personnel, the Company's attorneys and other persons designated in writing by the Company, or except as otherwise provided by law or directed or authorized by the Chief Executive Officer or his or her authorized delegate or use Confidential Information for any purpose other than for the direct benefit of the Company and its subsidiaries while in the Company's employ and thereafter. The Executive shall comply with the terms of any confidentiality, non-disclosure or similar agreement between the Company or any of its subsidiaries and any third party to the extent applicable to information obtained by the Executive.

(e) Inventions and Assignment. The Executive agrees that he or she will promptly disclose to the Company any and all Company Inventions, and the Executive hereby irrevocably assigns, and agrees to assign promptly upon the request of the Company, to the Company all of the Executive's right, title, interest and other ownership rights in and to any and all Company Inventions. During the Executive's employment or at any time thereafter, upon request of the Company, the Executive will sign, execute and deliver any and all documents or instruments, including, without limitation, patent applications, declarations, invention assignments and copyright assignments, and will take any other action which the Company shall deem necessary to perfect in the Company trademark, copyright or patent rights with respect to Company Inventions, or to otherwise protect the Company's trade secrets and proprietary interests. The term "**Inventions**" means discoveries, developments, trade secrets, processes, formulas, data, lists, software programs, graphics, artwork, logos, works of authorship, ideas, concepts, know-how, designs and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property laws or industrial property laws in the United States or elsewhere. The term "**Company Inventions**" means all Inventions that (i) relate to the business or proposed business of the Company or any of its subsidiaries or that are discovered, developed, created, conceived, reduced to practice, made, learned or written by the Executive, either alone or jointly with others, in the course of the Executive's employment; (ii) utilize, incorporate or otherwise relate to Confidential Information; or (iii) are discovered, developed, created, conceived, reduced to practice, made, learned or written by the Executive using property or equipment of the Company or any of its subsidiaries. The Executive agrees to promptly and fully communicate in writing to the Company (to such department or officer of the Company and in accordance with such procedures as the Company may direct from time to time) any and all Company Inventions. The Executive acknowledges and agrees that any work of authorship by the Executive or others comprising Company Inventions shall be deemed to be a "work made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101 (2000)). To the extent that any such work of authorship may not be deemed to be a work made for hire, the Executive hereby irrevocably assigns, and agrees to assign promptly upon the request of the Company, to the Company any and all right, title and interest and other ownership rights the Executive may have in and to such work. This Agreement does not apply to any Inventions the Executive made before the Executive's employment with the Company. To clearly establish the Executive's rights, the Executive has listed on Exhibit A any Inventions, whether or not patentable or copyrightable and whether or not reduced to practice, made by the Executive prior to the Executive's employment with the Company that are owned by the Executive ("**Prior Inventions**"), together with the approximate dates of their creation. If no such list is attached, the Executive represents that there are no Prior Inventions.

(f) Other Promises and Covenants.

(i) The Executive agrees that, during the Executive's employment with the Company and for a period of twelve (12) months (or, if the Executive shall

become entitled to receive the severance pay and benefits provided for in Section 5(a), eighteen (18) months) following the Date of Termination (the “**Non-Competition Period**”), the Executive shall not, directly or indirectly, on the Executive’s own or another’s behalf, engage in or assist others in any of the following activities (except on behalf of the Company):

(1) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend the Executive’s name to, lend the Executive’s credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; or

(2) provide or develop any products, technology or services that are the same as or Substantially Similar to the products, technology and services provided or developed by the Company or any of its subsidiaries.

(ii) If the Executive shall breach his or her obligations under Section 7(f)(i), the Non-Competition Period shall automatically be extended by a period equal to the period commencing on the first breach of such obligations and ending when all such breaches shall have been cured.

(iii) During the Executive’s employment with the Company and for a period of twelve (12) months (or, if the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), eighteen (18) months) following termination of employment for any reason (the “**Non-Solicitation Period**”), the Executive shall not, directly or indirectly, on the Executive’s own or another’s behalf, engage in or assist others in any of the following activities:

(1) solicit, induce or encourage any customer, distributor, agent, supplier, licensee, or business relation of the Company or any of its subsidiaries to cease doing business with the Company or any of its subsidiaries, or in any way interfere with the relationship between any such customer, distributor, agent, supplier, licensee, or business relation and the Company or any of its subsidiaries;

(2) on behalf of a Competing Business, solicit the business or patronage of any Person who is a customer, Prospective Customer, distributor or agent of the Company or any of its subsidiaries at any time during the twelve (12) months before the Date of Termination, whether or not the Executive had personal contact with such Person;

(3) solicit, induce or encourage any employee, independent contractor or agent of the Company or any of its subsidiaries to terminate the employment or other business relationship of such employee, independent contractor or agent with the Company or any such subsidiary;

(4) in any way interfere with the employment or other business relationship between the Company or any of its subsidiaries, on the one hand, and any employee, independent contractor or agent of the Company or any such subsidiary, on the other hand;

(5) employ, or otherwise engage as an employee, independent contractor, agent or otherwise, any individual who was an employee, independent contractor or agent of the Company or any of its subsidiaries, or was otherwise

affiliated with the Company or any of its subsidiaries, at any time during the twelve (12) months before the Date of Termination; *provided* that an employee, independent contractor, or agent shall cease to be covered by this paragraph twelve (12) months following the date of termination of employment or service of such employee, independent contractor, or agent; or

- (6) attempt to do any of the foregoing.

provided, however, that nothing set forth in this Section 7 shall prohibit the Executive from (A) owning, as a passive investment, less than one percent (1%) in the aggregate of any class of capital stock of any corporation if such stock is listed on any national securities exchange, (B) commencing employment with, or providing services to, a subsidiary, division or unit of any entity that engages in the Competing Business so long as the Executive does not perform services for the entity that is engaged in the Competing Business, or (C) initiating bona fide job advertisements of general circulation (including general postings on internet job sites) for employment or service not targeted to employees, independent contractors or agents of the Company or any of its subsidiaries.

(iv) If the Executive shall breach his or her obligations under Section 7(f)(iii), the Non-Solicitation Period shall automatically be extended by a period equal to the period commencing on the first breach of such obligations and ending when all such breaches shall have been cured.

- (g) Definitions. For purposes hereof:

(i) “**Company Business**” means (1) any business related to the development, engineering, manufacture, marketing, distribution or sale of products, services or solutions for the mobile satellite communications industry, including the provision of Internet, Internet of Things (IoT), television or voice services via satellite or land-based communication to mobile users at sea, on land or in the air, as well as tools to increase communication efficiency, reduce costs and manage network operations; (2) any business related to the provision of commercially licensed entertainment, including news, sports, music, training and movies, to commercial or leisure customers in the maritime, hotel or retail markets; (3) any business related to the development, engineering, manufacture, marketing, distribution or sale of navigations sensors and systems or inertial sensors and systems for defense or commercial applications, including self-driving vehicles; and (4) any other business that the Company or any of its subsidiaries is actively engaged in researching, developing, offering, providing or marketing at the time of the Date of Termination.

(ii) “**Company Property**” means all physical materials, documents, information, keys, computer software and hardware, including laptop computers and mobile or handheld computers, manuals, databases, product samples, tapes, magnetic media, technical notes and any other equipment or items which the Company or any of its subsidiaries provides for or to the Executive or which otherwise belong to the Company or any of its subsidiaries, and those documents and items which the Executive may develop or help develop while in the Company’s employ, whether or not developed during regular working hours or on the premises of the Company or any of its subsidiaries. The term “**Company Property**” shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(iii) “**Competing Business**” means any Entity engaged in any portion of the Company Business, other than the Company and its subsidiaries.

(iv) “**Confidential Information**” means the trade secrets and other information of the Company and its subsidiaries, including but not limited to (1) customer lists, customer contact information, customer purchase information, pricing information, strategic and marketing plans, compilations of customer information, names of employees, contracts with third parties, training, financial and marketing books, sales projections, internal employer databases, reports, manuals and information, including information related to the Company, its subsidiaries or its customers, including those documents and items which any employee may develop or help develop while in the employ of the Company or any of its subsidiaries, whether or not developed during regular working hours or on the premises of the Company or such subsidiary; (2) the identity, skills, personnel file information, performance appraisals and compensation of job applicants, employees, contractors, and consultants; (3) specialized training, technical and other business information; (4) source code, scripts, user screens, reports or any other information pertaining to the internal information technology or network of the Company and/or its subsidiaries; (5) information related to inventions owned by the Company or any of its subsidiaries or licensed from third parties; (6) information held in confidence by the Company or any of its subsidiaries or which might provide the Company, any of its subsidiaries or its or their customers a competitive advantage over others who do not have access to such information; and (7) similar information of third parties held by the Company or any of its subsidiaries. Unless the context requires otherwise, the term “Confidential Information” shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials. Information that is or becomes generally available publicly other than directly or indirectly through disclosure by Executive in violation of this Agreement shall thereafter cease to be Confidential Information.

(v) “**Entity**” means and includes any person, partnership, association, corporation, limited liability company, trust, unincorporated organization or any other business entity or enterprise.

(vi) “**Geographic Area**” means those jurisdictions in which the Company or any of its subsidiaries conducts business or in which its products, services or solutions are being sold or marketed at the time of the termination of the Executive’s employment.

(vii) “**Goodwill**” means the value of the relationships between the Company and its subsidiaries, on the one hand, and the customers, distributors, agents, suppliers, licensees, employees or other business relations of the Company or any of its subsidiaries, and others with which the Company or any of its subsidiaries does business, on the other hand.

(viii) “**Prospective Customer**” means any person or Entity identified as a potential customer of the Company or any of its subsidiaries to which the Company or any of its subsidiaries, through any of its employees or agents, has made a business proposal within the twelve (12) months prior to the Date of Termination.

(ix) “**Substantially Similar**” means substantially similar in function or capability or otherwise competitive to the products, services or solutions that are being developed, manufactured or sold by the Company or any of its subsidiaries at any time during the three (3) years before the termination of the Executive’s employment for any reason, or that are marketed to substantially the same type of user or customer as that to which the products, services and solutions of the Company or any of its subsidiaries are marketed during the three (3) years before the termination of the Executive’s employment

for any reason or proposed to be marketed during the one (1) year after the termination of the Executive's employment for any reason.

(h) Acknowledgements Regarding Other Promises and Covenants. With regard to the promises and covenants set forth herein, the Executive acknowledges and agrees that:

(i) the restrictions are ancillary to an otherwise enforceable agreement, including the provisions of this Agreement regarding the disclosure, ownership and use of the Confidential Information and Goodwill of the Company;

(ii) the limitations as to time, geographical area, and scope of activity to be restricted are reasonable and acceptable to the Executive, and do not impose any greater restraint than is reasonably necessary to protect the Goodwill and other legitimate business interests of the Company;

(iii) the promises and covenants are supported by mutually-upon consideration as set forth in Sections 2, 4 and 5 above;

(iv) the performance by the Executive, and the enforcement by the Company, of such promises and covenants will cause no undue hardship on the Executive; and

(v) the time periods covered by the promises and covenants will not include any period(s) of violation of such promises or covenants.

(i) Duty to Give Notice of Agreement. During employment by the Company and the period of any post-employment obligation applicable hereunder, the Executive shall provide written notice to any prospective employer of the Executive's obligations under this Agreement then in effect, and shall provide a true copy hereof to such prospective employer at the outset of any communications about employment.

(j) Independent Elements. The parties acknowledge that the promises and covenants contained in this Section 7 are essential independent elements of this Agreement and that, but for the Executive agreeing to comply with them, the Company would not enter into this Agreement. Accordingly, the existence or assertion of any claim by the Executive against the Company, whether based on this Agreement or otherwise, shall not operate as a defense to the Company's enforcement of the promises and covenants in Section 7. An alleged or actual breach of the Agreement by the Company will not be a defense to enforcement of any such promise or covenant, or other obligations of the Executive to the Company. The promises and covenants in this Section 7 will remain in full force and effect regardless of whether the Executive's employment is terminated by the Company or by the Executive.

(k) Remedies for Breach of Agreement. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 7, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company and without posting any bond.

8. Other Agreements; Cooperation.

(a) Third-Party Agreements and Rights. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's duties for the Company do not and will not violate any obligations the Executive may have to any previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any previous employer or other party, and the Executive will not bring to the premises of the Company or any of its subsidiaries any copies or other tangible embodiments of non-public information belonging to or obtained from any previous employer or other party.

(b) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate with the Company and its subsidiaries in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company or any of its subsidiaries which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being reasonably available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company or any of its subsidiaries at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. Any cooperation services hereunder shall be scheduled to take into account the Executive's personal and professional obligations at such time. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(b).

(c) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "**Government Agency**") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement for the disclosure of a trade secret that (i) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Compensation Recovery. Notwithstanding any other provision in this Agreement to the contrary, the Executive acknowledges and agrees that any incentive-based compensation, or any other compensation, paid to the Executive, whether or not pursuant to this Agreement or any other agreement or arrangement with the Company or any of its subsidiaries, will be subject to such deductions, clawback, recoupment or recovery as may be required to be made pursuant to applicable law or regulation, stock exchange listing requirement or any clawback, recoupment, recovery or similar policy adopted by the Company or any of its subsidiaries from time to time.

10. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the Superior Court of the State of Rhode Island and the United States District Court for the District

of Rhode Island and their respective appellate courts. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction or service of process. **ANY ACTION, DEMAND, CLAIM OR COUNTERCLAIM ARISING UNDER OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT WITH THE COMPANY, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF DISCRIMINATION ARISING UNDER STATE OR FEDERAL LAW, WILL BE RESOLVED BY A JUDGE ALONE AND EACH OF THE COMPANY AND THE EXECUTIVE WAIVES ANY RIGHT TO A JURY TRIAL THEREOF.**

11. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, as well as any offer letter, employment agreement or severance agreement, *provided* that the Equity Documents shall remain in full force and effect.

12. **Withholding; Tax Effect.** All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

13. **Successor to the Executive.** This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due him or her under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

14. **Enforceability.** If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. **Survival.** The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. **Severability.** If any of the provisions of this Agreement, including but not limited to the covenants in Section 7 of this Agreement, are deemed unenforceable by a court of competent jurisdiction because they are overly broad, then the court shall have the ability to modify the offending provision in order to make it enforceable. Should any term or provision of this Agreement be declared illegal, invalid or unenforceable by any court of competent jurisdiction and if such provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either of the parties.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its principal executive offices, attention of the Board.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (other than the Executive).

20. Governing Law. This Agreement is a Rhode Island contract and shall be construed under and be governed in all respects by the laws of the State of Rhode Island, without giving effect to the conflict of laws principles of the State of Rhode Island. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

22. Counsel. The Executive acknowledges and agrees that the Company has recommended that the Executive retain separate legal counsel to advise the Executive regarding the terms and conditions of this Agreement and that the Executive has had sufficient time to review, evaluate, understand and consult with separate legal counsel regarding the consequences of executing this Agreement. The Executive acknowledges and agrees that the Company's outside legal counsel, Foley Hoag LLP, and the Company's legal personnel represent the Company and not the Executive, that the Executive is not a client of any of the foregoing legal counsel and that none of the foregoing legal counsel owes the Executive any of the duties they would owe to a client.

23. Fees and Expenses. Except as expressly provided otherwise in this Agreement, each party shall bear all expenses incurred by such party in connection with the negotiation, execution, delivery and enforcement of this Agreement, including attorneys' fees and disbursements. Notwithstanding the foregoing, the Company will reimburse Executive for attorney's fees (up to \$5,000) and disbursements reasonably incurred by Executive in connection with the negotiation and documentation of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

KVH Industries, Inc.

By: /s/ Cathy-Ann Martine-Dolecki
Name: Cathy-Ann Martine-Dolecki
Title: Chair of the Board

EXECUTIVE

/s/ Felise B. Feingold
Felise B. Feingold

Exhibit A
Prior Inventions

None.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (“**Agreement**”) is made as of May 9, 2022 between KVH Industries, Inc. a Delaware corporation (the “**Company**”), and Robert J. Balog (the “**Executive**”).

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the terms and conditions contained herein,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement until such employment is terminated in accordance with the provisions hereof (the “**Term**”). The Executive’s employment with the Company will continue to be “at will,” meaning that the Executive’s employment may be terminated by the Company or the Executive at any time and for any reason, subject to the terms of this Agreement.

(b) Position and Duties. During the Term, the Executive shall serve as the Chief Technology Officer of the Company, and shall have such powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the “**Board**”) consistent with the Executive’s position. The Executive shall report to the Chief Executive Officer. The Executive shall devote the Executive’s full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the prior approval of the Board (not to be unreasonably withheld), or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and, in the judgment of the Board, do not interfere with the Executive’s performance of the Executive’s duties to the Company.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive’s initial annual base salary shall be paid at the rate of \$339,488 per year. The Executive’s base salary shall be reviewed annually by the Board or the Compensation Committee of the Board (the “**Compensation Committee**”). The base salary in effect at any given time is referred to herein as the “**Base Salary**.” The Base Salary shall be payable in a manner that is consistent with the Company’s usual payroll practices for executive officers.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive’s target annual incentive compensation shall be forty percent (40%) of the Executive’s Base Salary, which percentage may be modified from time to time by the Board or the Compensation Committee. The target annual incentive compensation in effect at any given time is referred to herein as the “**Target Bonus**.” Except as otherwise provided herein or as provided under applicable Company policy, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid. Target incentives do not constitute a promise of payment, and the Executive’s actual cash incentive compensation will depend in part on the performance of the

Company and the Executive, as determined by the Board or the Compensation Committee in its discretion.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company's policies and employee benefit plans in effect from time to time, subject to the terms of such policies and plans and to the Company's ability to amend, modify, replace or terminate such policies and plans, including with respect to paid time off.

(e) Equity. The equity awards held by the Executive shall be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards held by the Executive (collectively, the "**Equity Documents**"); *provided, however*, and notwithstanding anything to the contrary in the Equity Documents, Section 4(b)(iii) of this Agreement shall apply in the event of a termination by the Company without Cause (as defined below) or by the Executive for Good Reason (as defined below), or, if either such event shall occur during a Change in Control Period (as defined below), Section 5(a)(iii) shall apply instead.

(f) Retention Compensation.

(i) If the Executive continues to serve as an employee of the Company from the date hereof through December 31, 2022 (the "**Retention Date**"), then (1) the Company shall pay the Executive a cash retention bonus (the "**Retention Bonus**") in an amount equal to seventy-five percent (75%) of Executive's Base Salary in effect on the date hereof, such Retention Bonus to be paid within thirty (30) days after the Retention Date in a manner that is consistent with the Company's usual payroll practices for executive officers and (2) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock option and other stock-based awards subject to vesting held by the Executive (collectively, the "**Equity Awards**") that would otherwise vest in the twelve (12) months after the Retention Date (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall on the Retention Date accelerate and become exercisable or non-forfeitable.

(ii) If before December 31, 2022, either (1) the Company shall terminate the employment of the Executive without Cause (as defined below) or (2) the Executive shall terminate the Executive's employment for Good Reason (as defined below), then the Company shall pay the Executive a pro rata portion of the Retention Bonus (based on (x) the number of days the Executive was employed by the Company between the date of this Agreement and the Date of Termination, divided by (y) the number of days between the date of this Agreement and December 31, 2022) (the "**Partial Retention Bonus**"), such Partial Retention Bonus to be paid in the form of a continuation of the Executive's regular salary payments (and in a manner that is consistent with the Company's usual payroll practices for executive officers) until the full amount of such Partial Retention Bonus shall have been paid. If the Executive shall subsequently become entitled to receive the full amount of the Retention Bonus pursuant to the following Section 2(f)(iii), then the Executive shall receive no further payments under this Section 2(f)(ii), and any amounts theretofore paid under this Section 2(f)(ii) shall be credited toward the payment of the full amount of the Retention Bonus.

(iii) If (1) before December 31, 2022 either (A) the Company shall terminate the employment of the Executive without Cause (as defined below) or (B) the Executive shall terminate the Executive's employment for Good Reason (as defined below) and (2) before or after December 31, 2022, the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), then the Executive shall receive the full amount of the Retention Bonus pursuant to Section 2(f)(i), and, solely for purposes of determining the timing of payment of the Retention Bonus, the Retention Date shall be the later of the date of such Change of Control or the date of such termination.

(g) Total Compensation. Except as expressly set forth in Section 4 or Section 5 or as provided under applicable Company policy, the Executive shall not receive any compensation or benefits from the Company other than as provided in this Section 2.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then-existing position or positions under this Agreement with or without reasonable accommodation as required by law for a period of one hundred twenty (120) days (which need not be consecutive) in any twelve (12) month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then-existing position or positions with or without reasonable accommodation as required by law, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled and, if so, how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification promptly after a request therefor, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. Any determination of Cause will be made by a resolution approved by a majority of the members of the Board. For purposes of this Agreement, "**Cause**" shall mean:

(i) any breach of fiduciary duties to the Company or any of its subsidiaries by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or such subsidiary;

(ii) the commission by the Executive of any felony or any crime (whether or not a felony) involving moral turpitude, deceit, or fraud, or any reckless or willful misconduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries if the Executive were to be retained in the Executive's position;

(iii) conduct by the Executive constituting a material act of misconduct in connection with the performance of the Executive's duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries, other than the occasional, customary and de minimis use of such property for personal purposes;

(iv) illegal or controlled substance abuse or repeated insobriety by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries;

(v) the Executive's material negligence or dereliction in the performance of, or failure or refusal to perform, the Executive's material duties of employment with the Company (for reasons other than disability), which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof;

(vi) a material breach by the Executive of any provision of this Agreement, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof;

(vii) a material violation by the Executive of the Company's written policies and procedures in effect from time to time, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof; or

(viii) the Executive's refusal or failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the Executive's inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation, which, if curable, is not cured to the reasonable satisfaction of the Company within thirty (30) days after receipt of written notice from the Company thereof.

In addition, the Executive's employment shall be deemed to have terminated for Cause if, on the Date of Termination (as defined below), facts and circumstances exist that would have justified a termination for Cause, even if such facts and circumstances are discovered after such termination; provided that such discovery occurs within six months following the Date of Termination.

Notwithstanding the foregoing, any action or inaction taken by Executive based upon Executive's reasonable reliance on advice of counsel to the Company or the direction of the Board of Directors will not form the basis for Cause. For the avoidance of doubt, "Cause" does not exist solely due to any failure to achieve any performance targets, whether relating to Executive, the Company, or otherwise.

(d) Termination without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or Section 3(c) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate the Executive's employment hereunder at any time for any reason, including but not limited to Good

Reason. For purposes of this Agreement, “**Good Reason**” shall mean that the Executive has complied with the Good Reason Process (as defined below) following the occurrence of any of the following events without the Executive’s prior approval:

(i) a material diminution in the Executive’s title, responsibilities or authority, or the assignment to the Executive of responsibilities materially inconsistent with the responsibilities customarily associated with the Executive’s position(s) at the Company; *provided, however*, that the following changes in responsibilities or authority shall not constitute a material diminution: a suspension, with pay, of some or all the Executive’s responsibilities and authority in connection with any allegation that the Executive has engaged in wrongdoing or any investigation thereof, including without limitation any assessment of whether the Company has Cause for termination of the Executive’s employment;

(ii) a reduction of the Executive’s Base Salary, except for any reduction similarly affecting all or substantially all executive officers of the Company;

(iii) a change in the geographic location at which the Executive is regularly required to provide services to the Company by more than 25 miles (other than requirements for travel commensurate with the Executive’s position); or

(iv) a material breach of this Agreement by the Company or a material failure to pay compensation when due.

“**Good Reason Process**” shall mean that (i) the Executive notifies the Company in writing of the occurrence of the Good Reason condition within ninety (90) days after the Executive first knows, or should have known, of such condition; (ii) the Executive cooperates in good faith with the Company’s efforts, for a period not less than thirty (30) days following such notice (the “**Cure Period**”), to remedy the condition; (iii) notwithstanding such efforts, the Good Reason condition continues to exist at the end of the Cure Period; and (iv) the Executive terminates the Executive’s employment within ninety (90) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive’s employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a “**Notice of Termination**” shall mean a notice of termination of employment which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. “**Date of Termination**” shall mean:

(i) if the Executive’s employment is terminated by the Executive’s death, the date of the Executive’s death;

(ii) if the Executive’s employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given;

(iii) if the Executive’s employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination;

(iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, thirty (30) days after the date on which a Notice of Termination is given; and

(v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period.

Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(h) Other Positions. Upon termination of the Executive's employment for any reason, the Executive shall immediately (and with immediate effect) resign any offices or other positions that the Executive may hold with the Company or any subsidiary of the Company, unless the Company shall otherwise agree in writing.

(i) No Duty to Mitigate. The Executive shall have no duty to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that the Executive may receive from any other source reduce any such payment.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination, unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) and unused vacation or paid time off that accrued through the Date of Termination, which amounts shall be paid on or before the time required by law but in no event more than thirty (30) days after the Executive's Date of Termination; (ii) any cash-based annual incentive award earned but unpaid with respect to a fiscal year ending on or before the Date of Termination, and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "**Accrued Benefits**").

(b) Termination by the Company without Cause or by the Executive for Good Reason. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), then the Company shall pay the Executive the Executive's Accrued Benefits. In addition, subject to (i) the Executive signing a separation agreement and release in a form provided by the Company (the "**Separation Agreement and Release**"), which the Executive shall have twenty-one (21) calendar days (or forty-five (45) calendar days in the event of a group termination) to consider signing and seven (7) business days after signing to revoke acceptance and which shall include, without limitation, a general release of claims, a reaffirmation of the restrictive covenants in Section 7 hereof, and a statement that if the Executive breaches any provision of this Agreement or other restrictive covenants then in effect, all payments hereunder (other than the Accrued Benefits) shall immediately cease, and (ii) the Separation Agreement and Release becoming irrevocable, all within the time frame set forth in the Separation Agreement and Release but in no event later than sixty (60) days after the Date of Termination:

(i) the Company shall pay the Executive an amount equal to twelve (12) months of the Executive's Base Salary at the highest rate in effect during the twelve (12) months before the Date of Termination;

(ii) the Company shall pay the Executive a lump sum in cash in an amount equal to a pro rata portion (based on the number of days the Executive was employed by the Company in the calendar year in which the Date of Termination occurs divided by 365) of the Executive's Target Bonus in effect for such calendar year (the amounts contemplated by Section 4(b)(i) and this Section 4(b)(ii), collectively, the "**Base Severance Amount**");

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Equity Awards that would have vested had the Executive remained employed by the Company for an additional twelve (12) months after the Date of Termination (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall immediately accelerate and become exercisable or non-forfeitable as of the later of (i) the Date of Termination or (ii) the effective date of the Separation Agreement and Release (the "**Accelerated Vesting Date**"); *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the earlier of the effective date of the Separation Agreement and Release or the end of the sixty (60) day period following the Date of Termination, and such termination or forfeiture will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Equity Awards (other than the acceleration provided pursuant to this Section 4(b)(iii)) shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) subject to the Executive's copayment of premium amounts at the active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), the Company shall pay the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the Date of Termination; (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's continuation rights under COBRA; *provided, however*, if the Company determines that it cannot pay such amounts without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), incurring penalties under applicable law or creating adverse tax consequences for participants in the Company's health insurance plans, then the Company will convert such payments to taxable payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amount payable under Section 4(b)(ii) shall be paid within thirty (30) days after the Separation Agreement and Release becomes irrevocable. The other amounts payable under this Section 4(b) shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve (12) months commencing within sixty (60) days after the Date of Termination; *provided, however*, that if the sixty (60) day period begins in one (1) calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such sixty (60) day period; *provided, further*, that the

initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination.

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations in connection with a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to the Executive's assigned duties and the Executive's objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within six (6) months before, or within twelve (12) months after, the occurrence of the first event constituting a Change in Control (the "**Change in Control Period**"). For the avoidance of doubt, any severance pay and benefits that may have been received under Section 4(b) shall be credited against any severance pay and benefits payable under this Section 5. The provisions of this Section 5 shall terminate and be of no further force or effect beginning after the Change in Control Period has ended.

(a) Change in Control. During the Term, if during the Change in Control Period, the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates the Executive's employment for Good Reason as provided in Section 3(e), then, subject to (i) the Executive signing the Separation Agreement and Release, (ii) the Separation Agreement and Release becoming irrevocable, all within the time frame set forth in the Separation Agreement and Release but in no event more than sixty (60) days after the Date of Termination and (iii) if the Date of Termination occurs before the consummation of the first event constituting a Change in Control, the consummation of such Change in Control:

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to one and one-half (1.5) times the sum of (A) twelve (12) months of the Executive's Base Salary at the highest rate in effect during the twelve (12) months before the Date of Termination plus (B) the Executive's Target Bonus for the then-current year;

(ii) the Company shall pay the Executive a lump sum in cash in an amount equal to a pro rata portion (based on the number of days the Executive was employed by the Company in the calendar year in which the Date of Termination occurs divided by 365) of the Executive's Target Bonus in effect for such calendar year (the amounts contemplated by Section 5(a)(i) and this Section 5(a)(ii), collectively, the "**Change in Control Severance Amount**");

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all Equity Awards (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall immediately accelerate and become fully exercisable or non-forfeitable as of the latest of (i) the Date of Termination, (ii) the Accelerated Vesting Date and (iii) the consummation of such Change in Control; *provided* that any termination or forfeiture of the unvested portion of such Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the later of the Accelerated Vesting Date and the date of consummation of such Change in Control and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein or the failure of such Change in Control to be consummated within the time period set forth in this Section 5 (the "**Delay Period**"). Notwithstanding the foregoing, no additional vesting of the Equity Awards

(other than the acceleration provided pursuant to this Section 5(a)(iii)) shall occur during the Delay Period; and

(iv) subject to the Executive's copayment of premium amounts at the active employees' rate and the Executive's proper election to receive benefits under COBRA, the Company shall pay the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the eighteen (18) month anniversary of the Date of Termination, (B) the Executive's eligibility for group medical plan benefits under any other employer's group medical plan or (C) the cessation of the Executive's continuation rights under COBRA; *provided, however*, if the Company determines that it cannot pay such amounts without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), incurring penalties under applicable law or creating adverse tax consequences for participants in the Company's health insurance plans, then the Company will convert such payments to taxable payroll payments directly to the Executive for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts and benefits payable under this Section 5(a) shall be paid or commence to be paid within sixty (60) days after the later of the Date of Termination and the date of such Change in Control; *provided, however*, that if the sixty (60) day period begins in one (1) calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such sixty (60) day period.

(b) Additional Limitation.

(i) Notwithstanding anything in this Agreement to the contrary, if the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the applicable regulations thereunder (the "**Aggregate Payments**"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After-Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) non-cash forms of benefits and (4) equity-based payments and acceleration; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "**After-Tax Amount**" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After-Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal

income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the “**Accounting Firm**”), which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days after the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, “**Change in Control**” shall have the same meaning as “Change of Control,” “Change in Control” or any similar phrase provided in the Company’s then-most recently adopted equity incentive plan, as amended from time to time.

6. Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, if at the time of the Executive’s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive’s separation from service would be considered deferred compensation otherwise subject to the twenty percent (20%) additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six (6) months and one (1) day after the Executive’s separation from service, or (B) the Executive’s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six (6) month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one (1) taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive’s termination of employment, then such payments or benefits shall be payable only upon the Executive’s “separation from service.” The determination of whether and when a separation from service shall have occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Confidential Information and Goodwill; Inventions and Assignment; Restrictive Covenants.

(a) Confidential Information and Goodwill. In consideration of the Executive's promises and covenants contained in this Agreement, including the Executive's promise and covenant not to disclose Confidential Information (as defined below), the Company will provide the Executive with Confidential Information. In further consideration of the Executive's promises and covenants contained in this Agreement, including the Executive's promise and covenant to utilize the Goodwill (as defined below) exclusively for the benefit of the Company and its subsidiaries, the Company will allow the Executive to receive Confidential Information concerning the Company's and its subsidiaries' technology, customers, vendors and employees and, to the extent required to fulfill the Executive's duties, the Company will permit the Executive to represent the Company on its behalf with such persons. To the extent that the Executive's duties involve sales or customer relations, the Company will permit the Executive to utilize the Goodwill in the Executive's sales efforts.

(b) Duties. While employed by the Company, the Executive shall perform the duties required of the Executive hereunder and, except as otherwise permitted by Section 1(b), shall devote the Executive's reasonable best efforts and exclusive business time, energy and skill to performing such duties; not make any disparaging remarks regarding the Company or any of its subsidiaries to any person with whom the Company has business relations, including any customer, vendor or employee of the Company or any of its subsidiaries; use the Goodwill solely for the benefit of the Company and its subsidiaries; and not interfere in such Goodwill, either during or after the Executive's employment with the Company.

(c) Delivery of Company Property. The Executive recognizes that all documents, electronic media and other tangible items which contain Confidential Information are the property of the Company or any of its subsidiaries exclusively. Upon request by the Company or termination of the Executive's employment with the Company, the Executive shall promptly return to the Company all Confidential Information and Company Property within the Executive's possession or control, and shall refrain from taking any Confidential Information or Company Property or allowing any Confidential Information or Company Property to be taken from the Company.

(d) Promise and Covenant Not to Disclose. The parties acknowledge that the Company and its subsidiaries are the sole and exclusive owners of the Confidential Information, as applicable, and that the Company and its subsidiaries have legitimate business interests in protecting the Confidential Information. The parties further acknowledge that the Company and its subsidiaries have invested, and continue to invest, considerable amounts of time and money in

obtaining, developing, and preserving the confidentiality of the Confidential Information and that, by reason of the trust relationship arising between the Executive and the Company, the Executive owes the Company a fiduciary duty to preserve and protect the Confidential Information from all unauthorized disclosure and unauthorized use. The Executive shall not, directly or indirectly, disclose Confidential Information to any third party (except to the Executive's attorneys, the Company's personnel, the Company's attorneys and other persons designated in writing by the Company, or except as otherwise provided by law or directed or authorized by the Chief Executive Officer or his or her authorized delegate or use Confidential Information for any purpose other than for the direct benefit of the Company and its subsidiaries while in the Company's employ and thereafter. The Executive shall comply with the terms of any confidentiality, non-disclosure or similar agreement between the Company or any of its subsidiaries and any third party to the extent applicable to information obtained by the Executive.

(e) Inventions and Assignment. The Executive agrees that he or she will promptly disclose to the Company any and all Company Inventions, and the Executive hereby irrevocably assigns, and agrees to assign promptly upon the request of the Company, to the Company all of the Executive's right, title, interest and other ownership rights in and to any and all Company Inventions. During the Executive's employment or at any time thereafter, upon request of the Company, the Executive will sign, execute and deliver any and all documents or instruments, including, without limitation, patent applications, declarations, invention assignments and copyright assignments, and will take any other action which the Company shall deem necessary to perfect in the Company trademark, copyright or patent rights with respect to Company Inventions, or to otherwise protect the Company's trade secrets and proprietary interests. The term "**Inventions**" means discoveries, developments, trade secrets, processes, formulas, data, lists, software programs, graphics, artwork, logos, works of authorship, ideas, concepts, know-how, designs and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property laws or industrial property laws in the United States or elsewhere. The term "**Company Inventions**" means all Inventions that (i) relate to the business or proposed business of the Company or any of its subsidiaries or that are discovered, developed, created, conceived, reduced to practice, made, learned or written by the Executive, either alone or jointly with others, in the course of the Executive's employment; (ii) utilize, incorporate or otherwise relate to Confidential Information; or (iii) are discovered, developed, created, conceived, reduced to practice, made, learned or written by the Executive using property or equipment of the Company or any of its subsidiaries. The Executive agrees to promptly and fully communicate in writing to the Company (to such department or officer of the Company and in accordance with such procedures as the Company may direct from time to time) any and all Company Inventions. The Executive acknowledges and agrees that any work of authorship by the Executive or others comprising Company Inventions shall be deemed to be a "work made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101 (2000)). To the extent that any such work of authorship may not be deemed to be a work made for hire, the Executive hereby irrevocably assigns, and agrees to assign promptly upon the request of the Company, to the Company any and all right, title and interest and other ownership rights the Executive may have in and to such work. This Agreement does not apply to any Inventions the Executive made before the Executive's employment with the Company. To clearly establish the Executive's rights, the Executive has listed on Exhibit A any Inventions, whether or not patentable or copyrightable and whether or not reduced to practice, made by the Executive prior to the Executive's employment with the Company that are owned by the Executive ("**Prior Inventions**"), together with the approximate dates of their creation. If no such list is attached, the Executive represents that there are no Prior Inventions.

(f) Other Promises and Covenants.

(i) The Executive agrees that, during the Executive's employment with the Company and for a period of twelve (12) months (or, if the Executive shall

become entitled to receive the severance pay and benefits provided for in Section 5(a), eighteen (18) months) following the Date of Termination (the “**Non-Competition Period**”), the Executive shall not, directly or indirectly, on the Executive’s own or another’s behalf, engage in or assist others in any of the following activities (except on behalf of the Company):

(1) (whether as principal, agent, partner or otherwise) engage in, own, manage, operate, control, finance, invest in, participate in, or otherwise carry on, or be employed by, associated with, or in any manner connected with, lend the Executive’s name to, lend the Executive’s credit to, or render services or advice to a Competing Business anywhere in the Geographic Area; or

(2) provide or develop any products, technology or services that are the same as or Substantially Similar to the products, technology and services provided or developed by the Company or any of its subsidiaries.

(ii) If the Executive shall breach his or her obligations under Section 7(f)(i), the Non-Competition Period shall automatically be extended by a period equal to the period commencing on the first breach of such obligations and ending when all such breaches shall have been cured.

(iii) During the Executive’s employment with the Company and for a period of twelve (12) months (or, if the Executive shall become entitled to receive the severance pay and benefits provided for in Section 5(a), eighteen (18) months) following termination of employment for any reason (the “**Non-Solicitation Period**”), the Executive shall not, directly or indirectly, on the Executive’s own or another’s behalf, engage in or assist others in any of the following activities:

(1) solicit, induce or encourage any customer, distributor, agent, supplier, licensee, or business relation of the Company or any of its subsidiaries to cease doing business with the Company or any of its subsidiaries, or in any way interfere with the relationship between any such customer, distributor, agent, supplier, licensee, or business relation and the Company or any of its subsidiaries;

(2) on behalf of a Competing Business, solicit the business or patronage of any Person who is a customer, Prospective Customer, distributor or agent of the Company or any of its subsidiaries at any time during the twelve (12) months before the Date of Termination, whether or not the Executive had personal contact with such Person;

(3) solicit, induce or encourage any employee, independent contractor or agent of the Company or any of its subsidiaries to terminate the employment or other business relationship of such employee, independent contractor or agent with the Company or any such subsidiary;

(4) in any way interfere with the employment or other business relationship between the Company or any of its subsidiaries, on the one hand, and any employee, independent contractor or agent of the Company or any such subsidiary, on the other hand;

(5) employ, or otherwise engage as an employee, independent contractor, agent or otherwise, any individual who was an employee, independent contractor or agent of the Company or any of its subsidiaries, or was otherwise

affiliated with the Company or any of its subsidiaries, at any time during the twelve (12) months before the Date of Termination; *provided* that an employee, independent contractor, or agent shall cease to be covered by this paragraph twelve (12) months following the date of termination of employment or service of such employee, independent contractor, or agent; or

(6) attempt to do any of the foregoing.

provided, however, that nothing set forth in this Section 7 shall prohibit the Executive from (A) owning, as a passive investment, less than one percent (1%) in the aggregate of any class of capital stock of any corporation if such stock is listed on any national securities exchange, (B) commencing employment with, or providing services to, a subsidiary, division or unit of any entity that engages in the Competing Business so long as the Executive does not perform services for the entity that is engaged in the Competing Business, or (C) initiating bona fide job advertisements of general circulation (including general postings on internet job sites) for employment or service not targeted to employees, independent contractors or agents of the Company or any of its subsidiaries.

(iv) If the Executive shall breach his or her obligations under Section 7(f)(iii), the Non-Solicitation Period shall automatically be extended by a period equal to the period commencing on the first breach of such obligations and ending when all such breaches shall have been cured.

(g) Definitions. For purposes hereof:

(i) “**Company Business**” means (1) any business related to the development, engineering, manufacture, marketing, distribution or sale of products, services or solutions for the mobile satellite communications industry, including the provision of Internet, Internet of Things (IoT), television or voice services via satellite or land-based communication to mobile users at sea, on land or in the air, as well as tools to increase communication efficiency, reduce costs and manage network operations; (2) any business related to the provision of commercially licensed entertainment, including news, sports, music, training and movies, to commercial or leisure customers in the maritime, hotel or retail markets; (3) any business related to the development, engineering, manufacture, marketing, distribution or sale of navigations sensors and systems or inertial sensors and systems for defense or commercial applications, including self-driving vehicles; and (4) any other business that the Company or any of its subsidiaries is actively engaged in researching, developing, offering, providing or marketing at the time of the Date of Termination.

(ii) “**Company Property**” means all physical materials, documents, information, keys, computer software and hardware, including laptop computers and mobile or handheld computers, manuals, databases, product samples, tapes, magnetic media, technical notes and any other equipment or items which the Company or any of its subsidiaries provides for or to the Executive or which otherwise belong to the Company or any of its subsidiaries, and those documents and items which the Executive may develop or help develop while in the Company’s employ, whether or not developed during regular working hours or on the premises of the Company or any of its subsidiaries. The term “**Company Property**” shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials.

(iii) “**Competing Business**” means any Entity engaged in any portion of the Company Business, other than the Company and its subsidiaries.

(iv) “**Confidential Information**” means the trade secrets and other information of the Company and its subsidiaries, including but not limited to (1) customer lists, customer contact information, customer purchase information, pricing information, strategic and marketing plans, compilations of customer information, names of employees, contracts with third parties, training, financial and marketing books, sales projections, internal employer databases, reports, manuals and information, including information related to the Company, its subsidiaries or its customers, including those documents and items which any employee may develop or help develop while in the employ of the Company or any of its subsidiaries, whether or not developed during regular working hours or on the premises of the Company or such subsidiary; (2) the identity, skills, personnel file information, performance appraisals and compensation of job applicants, employees, contractors, and consultants; (3) specialized training, technical and other business information; (4) source code, scripts, user screens, reports or any other information pertaining to the internal information technology or network of the Company and/or its subsidiaries; (5) information related to inventions owned by the Company or any of its subsidiaries or licensed from third parties; (6) information held in confidence by the Company or any of its subsidiaries or which might provide the Company, any of its subsidiaries or its or their customers a competitive advantage over others who do not have access to such information; and (7) similar information of third parties held by the Company or any of its subsidiaries. Unless the context requires otherwise, the term “Confidential Information” shall include the original of such materials, any copies thereof, any notes derived from such materials, and any derivative work of such materials. Information that is or becomes generally available publicly other than directly or indirectly through disclosure by Executive in violation of this Agreement shall thereafter cease to be Confidential Information.

(v) “**Entity**” means and includes any person, partnership, association, corporation, limited liability company, trust, unincorporated organization or any other business entity or enterprise.

(vi) “**Geographic Area**” means those jurisdictions in which the Company or any of its subsidiaries conducts business or in which its products, services or solutions are being sold or marketed at the time of the termination of the Executive’s employment.

(vii) “**Goodwill**” means the value of the relationships between the Company and its subsidiaries, on the one hand, and the customers, distributors, agents, suppliers, licensees, employees or other business relations of the Company or any of its subsidiaries, and others with which the Company or any of its subsidiaries does business, on the other hand.

(viii) “**Prospective Customer**” means any person or Entity identified as a potential customer of the Company or any of its subsidiaries to which the Company or any of its subsidiaries, through any of its employees or agents, has made a business proposal within the twelve (12) months prior to the Date of Termination.

(ix) “**Substantially Similar**” means substantially similar in function or capability or otherwise competitive to the products, services or solutions that are being developed, manufactured or sold by the Company or any of its subsidiaries at any time during the three (3) years before the termination of the Executive’s employment for any reason, or that are marketed to substantially the same type of user or customer as that to which the products, services and solutions of the Company or any of its subsidiaries are marketed during the three (3) years before the termination of the Executive’s employment

for any reason or proposed to be marketed during the one (1) year after the termination of the Executive's employment for any reason.

(h) Acknowledgements Regarding Other Promises and Covenants. With regard to the promises and covenants set forth herein, the Executive acknowledges and agrees that:

(i) the restrictions are ancillary to an otherwise enforceable agreement, including the provisions of this Agreement regarding the disclosure, ownership and use of the Confidential Information and Goodwill of the Company;

(ii) the limitations as to time, geographical area, and scope of activity to be restricted are reasonable and acceptable to the Executive, and do not impose any greater restraint than is reasonably necessary to protect the Goodwill and other legitimate business interests of the Company;

(iii) the promises and covenants are supported by mutually-upon consideration as set forth in Sections 2, 4 and 5 above;

(iv) the performance by the Executive, and the enforcement by the Company, of such promises and covenants will cause no undue hardship on the Executive; and

(v) the time periods covered by the promises and covenants will not include any period(s) of violation of such promises or covenants.

(i) Duty to Give Notice of Agreement. During employment by the Company and the period of any post-employment obligation applicable hereunder, the Executive shall provide written notice to any prospective employer of the Executive's obligations under this Agreement then in effect, and shall provide a true copy hereof to such prospective employer at the outset of any communications about employment.

(j) Independent Elements. The parties acknowledge that the promises and covenants contained in this Section 7 are essential independent elements of this Agreement and that, but for the Executive agreeing to comply with them, the Company would not enter into this Agreement. Accordingly, the existence or assertion of any claim by the Executive against the Company, whether based on this Agreement or otherwise, shall not operate as a defense to the Company's enforcement of the promises and covenants in Section 7. An alleged or actual breach of the Agreement by the Company will not be a defense to enforcement of any such promise or covenant, or other obligations of the Executive to the Company. The promises and covenants in this Section 7 will remain in full force and effect regardless of whether the Executive's employment is terminated by the Company or by the Executive.

(k) Remedies for Breach of Agreement. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 7, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company and without posting any bond.

8. Other Agreements; Cooperation.

(a) Third-Party Agreements and Rights. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's duties for the Company do not and will not violate any obligations the Executive may have to any previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any previous employer or other party, and the Executive will not bring to the premises of the Company or any of its subsidiaries any copies or other tangible embodiments of non-public information belonging to or obtained from any previous employer or other party.

(b) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate with the Company and its subsidiaries in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company or any of its subsidiaries which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being reasonably available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company or any of its subsidiaries at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. Any cooperation services hereunder shall be scheduled to take into account the Executive's personal and professional obligations at such time. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(b).

(c) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit the Executive from making any good faith report to any governmental agency or other governmental entity (a "**Government Agency**") concerning any act or omission that the Executive reasonably believes constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing in this Agreement limits the Executive's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement for the disclosure of a trade secret that (i) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Compensation Recovery. Notwithstanding any other provision in this Agreement to the contrary, the Executive acknowledges and agrees that any incentive-based compensation, or any other compensation, paid to the Executive, whether or not pursuant to this Agreement or any other agreement or arrangement with the Company or any of its subsidiaries, will be subject to such deductions, clawback, recoupment or recovery as may be required to be made pursuant to applicable law or regulation, stock exchange listing requirement or any clawback, recoupment, recovery or similar policy adopted by the Company or any of its subsidiaries from time to time.

10. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the Superior Court of the State of Rhode Island and the United States District Court for the District

of Rhode Island and their respective appellate courts. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction or service of process. **ANY ACTION, DEMAND, CLAIM OR COUNTERCLAIM ARISING UNDER OR RELATING TO THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT WITH THE COMPANY, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF DISCRIMINATION ARISING UNDER STATE OR FEDERAL LAW, WILL BE RESOLVED BY A JUDGE ALONE AND EACH OF THE COMPANY AND THE EXECUTIVE WAIVES ANY RIGHT TO A JURY TRIAL THEREOF.**

11. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, as well as any offer letter, employment agreement or severance agreement, *provided* that the Equity Documents shall remain in full force and effect.

12. **Withholding; Tax Effect.** All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

13. **Successor to the Executive.** This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due him or her under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

14. **Enforceability.** If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. **Survival.** The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

16. **Severability.** If any of the provisions of this Agreement, including but not limited to the covenants in Section 7 of this Agreement, are deemed unenforceable by a court of competent jurisdiction because they are overly broad, then the court shall have the ability to modify the offending provision in order to make it enforceable. Should any term or provision of this Agreement be declared illegal, invalid or unenforceable by any court of competent jurisdiction and if such provision cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either of the parties.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its principal executive offices, attention of the Board.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company (other than the Executive).

20. Governing Law. This Agreement is a Rhode Island contract and shall be construed under and be governed in all respects by the laws of the State of Rhode Island, without giving effect to the conflict of laws principles of the State of Rhode Island. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

22. Counsel. The Executive acknowledges and agrees that the Company has recommended that the Executive retain separate legal counsel to advise the Executive regarding the terms and conditions of this Agreement and that the Executive has had sufficient time to review, evaluate, understand and consult with separate legal counsel regarding the consequences of executing this Agreement. The Executive acknowledges and agrees that the Company's outside legal counsel, Foley Hoag LLP, and the Company's legal personnel represent the Company and not the Executive, that the Executive is not a client of any of the foregoing legal counsel and that none of the foregoing legal counsel owes the Executive any of the duties they would owe to a client.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

KVH Industries, Inc.

By: /s/ Cathy-Ann Martine-Dolecki
Name: Cathy-Ann Martine-Dolecki
Title: Chair of the Board

EXECUTIVE

/s/ Robert J. Balog
Robert J. Balog

Exhibit A
Prior Inventions

None.

**AMENDMENT NO. 1 TO
EXECUTIVE EMPLOYMENT AGREEMENT**

This Amendment No. 1 to Executive Employment Agreement (“**Amendment**”) is made as of October 11, 2022 between KVH Industries, Inc. a Delaware corporation (the “**Company**”), and Brent C. Bruun (the “**Executive**”).

WHEREAS, the Company and the Executive are parties to an Executive Employment Agreement (the “**Agreement**”) dated as of May 2, 2022;

WHEREAS, on June 15, 2022, the Executive was appointed President and Chief Executive Officer of the Company; and

WHEREAS, in light of such promotion, the Company and the Executive wish to modify certain terms of the Agreement, including the Executive’s compensation and an extension of the period during which the Executive must continue to remain employed by the Company in order to earn the Retention Bonus (as defined in the Agreement) from December 31, 2022 to December 2023, subject to the terms and conditions of the Agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms. Capitalized terms used but not defined in this Amendment shall have the respective meanings given to them in the Agreement.

2. Increase in Base Salary. Section 2(a) of the Agreement is hereby amended to insert the following immediately after the first sentence thereof: “Effective as of July 1, 2022, the Executive’s annual base salary is increased to the rate of \$448,360 per year. The amount of the increase in salary for the period beginning July 1, 2022 to the date of this Amendment shall be paid promptly after the date of this Amendment but not before the Company’s next regularly scheduled payroll date.”

3. Increase in Target Bonus Percentage. Section 2(b) of the Agreement is hereby amended to insert the following sentence immediately after the second sentence thereof: “Effective as of July 1, 2022, the Executive’s target annual incentive compensation shall be eighty percent (80%) of the Executive’s Base Salary.” For avoidance of doubt, the Executive’s target annual incentive compensation shall remain at sixty percent (60%) of the Executive’s Base Salary (as in effect on May 2, 2022) for the period from January 1, 2022 to June 30, 2022.

4. Extension of Retention Date for Retention Bonus.

(a) Section 2(f)(i) of the Agreement is hereby deleted and replaced with the following:

“(i) If the Executive continues to serve as an employee of the Company from the date hereof through December 31, 2023 (the “**Retention Date**”), then the Company shall pay the Executive a cash retention bonus (the “**Retention Bonus**”) in an amount equal to seventy-five percent (75%) of the highest Base Salary in effect for Executive on or before the date Executive becomes entitled to receive the Retention Bonus or the Partial Retention Bonus, such Retention Bonus to be paid within thirty (30) days after the Retention Date in a manner that is consistent with the Company’s usual payroll practices for executive officers. If the Executive continues to serve as an employee of the Company from the date hereof through December 31, 2022, then notwithstanding anything to the

contrary in any applicable option agreement or other stock-based award agreement, all stock option and other stock-based awards subject to vesting held by the Executive (collectively, the “**Equity Awards**”) that would otherwise vest in the twelve (12) months after December 31, 2022 (assuming that any performance-based conditions to vesting shall have been satisfied at the target level of performance) shall on December 31, 2022 accelerate and become exercisable or non-forfeitable.

(b) Sections 2(f)(ii) and (iii) of the Agreement are hereby amended to replace the date “December 31, 2022” with the date “December 31, 2023” in each of the four places that such date appears in such Sections.

5. No Other Changes. Except as set forth in this Amendment, the Agreement shall continue in full force and effect.

6. Entire Agreement. This Agreement, as amended by this Amendment, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, provided that the Equity Documents shall remain in full force and effect.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

8. Sections Applicable to this Amendment. The provisions of Section 10, Sections 12 through 22 and the first sentence of Section 23 shall apply to this Amendment to the same extent that they apply to the Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Amendment effective on the date and year first above written.

KVH Industries, Inc.

By: /S/ CHARLES R. TRIMBLE
Name: Charles R. Trimble
Title: Chair, Compensation Committee

EXECUTIVE

/S/ BRENT C. BRUUN
Brent C. Bruun

**Certification of Principal Executive Officer
Pursuant to Rule 13a-14 or 15d-14 under the Securities Exchange Act of 1934 as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Brent C. Bruun, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KVH Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 6, 2022

/s/ Brent C. Bruun

Brent C. Bruun

President, Chief Executive Officer and Director

Certification of Principal Financial Officer
Pursuant to Rule 13a-14 or 15d-14 under the Securities Exchange Act of 1934 as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Roger A. Kuebel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of KVH Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 6, 2022

/s/ Roger A. Kuebel

Roger A. Kuebel

Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of KVH Industries, Inc. (the "Company") for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned President, Chief Executive Officer and Director, and Chief Financial Officer of the Company, certifies, to his best knowledge and belief, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brent C. Bruun

Brent C. Bruun

President, Chief Executive Officer and Director

/s/ Roger A. Kuebel

Roger A. Kuebel

Chief Financial Officer

Date: December 6, 2022

Date: December 6, 2022