

TELECOMMUNICATIONS COMMISSION
TURKS AND CAICOS ISLANDS
LICENCE ISSUED UNDER
THE TELECOMMUNICATIONS ORDINANCE OF 2004
TO PROVIDE MARINE MOBILE BROADBAND INTERNET SERVICES

The Commission grants to the Licensee named below a Licence to provide the Licensed Services to vessels within the territorial waters of the Turks and Caicos Islands, subject to the Conditions of the Licence, lawful instructions of the Commission and all other applicable laws and regulations of the Turks and Caicos Islands.

REFERENCES: Letter Decision 2007 – 3, October 11, 2007
Decision Notice 2009 – 7, August 5, 2009

THE LICENCEE: KVH Industries, Inc.

ADDRESS: 50 Enterprise Center
Middletown, RI 02842
USA

CONDITIONS OF THE LICENCE

1. DEFINITIONS AND INTERPRETATION

1.1 In this Licence and the Conditions, the Expressions set out below have the meaning given to them below:

- (a) **“Ordinance”** means the Telecommunications Ordinance of 2004;
- (b) **“TCITC or Commission”** means the Turks and Caicos Islands Telecommunications Commission established under the Telecommunications Ordinance 2004.
- (c) **“Conditions”** means the conditions contained in this Licence, as supplemented or amended from time to time;
- (d) **“Interconnection”** means physical or logical linking of telecommunications systems or telecommunications services to allow the Users of one Licensee to communicate with the Users of another Licensee or to access services provided by another Licensee;
- (e) **“Internet Services”** means the provision of a service offering the communication of data over the Internet, being the global information system that;
 - (i) is logically linked together by a globally unique address space based on the Internet Protocol (IP) or its subsequent extensions or follow-ons; and
 - (ii) is able to support communications using the Transmission Control Protocol/Internet Protocol (TCP/IP) suite or its subsequent extensions or follow-ons, and/or other IP-compatible protocols;
- (f) **“Licensed Services”** means those services described in Condition 2.1;
- (g) **“Message”** means any speech, sound, data, signal, writing, visual image or video or any combination of these communications;
- (h) **“Network Termination Point”** means any physical point of connection forming part of a telecommunications system at which other telecommunications systems or customer premises equipment may be connected;
- (i) **“Other Licensed Operator”** means any person (other than the Licensee) who, at the relevant time, has the benefit of a Licence under the Ordinance;
- (j) **“Regulatory Deadline”**, in respect of all regulatory compliance matters, means March 31 of each year and, if March 31 falls on a Saturday, Sunday or government holiday, the next business day;

- (k) **“Subscribers”** means Users with whom, for the time being, the Licensee has a current contract for the provision of any telecommunications services;
- (l) **“Voice Telephony”** means the commercial provision to the public of the direct transport and switching of speech in real-time between public switched Network Termination Points enabling any User to use Customer Premises Equipment connected to such a Network Termination Point to communicate with Customer Premises Equipment connected to another Network Termination Point, and any service that is functionally and commercially substitutable therefore; and Voice Telephony Services has a corresponding meaning.

1.2 Expressions that are defined in the Ordinance have the same meaning when used in this Licence and the Conditions.

1.3 In the Licence and the Conditions, unless the context indicates a contrary intention:

- (a) references to Conditions, paragraphs, subparagraphs and schedules are to Conditions, paragraphs, subparagraphs of, and to the schedules to, the Licence as modified from time to time in accordance with the Conditions or the Ordinance;
- (b) a document will be incorporated into and form part of the Conditions if it is referred to in the Conditions and a reference is made to that document, as modified from time to time.

2. NATURE AND SCOPE OF LICENCE

2.1 The Minister grants to the Licensee a Licence to provide Marine Mobile Broadband Internet Services within the territorial waters of the Turks and Caicos Islands, subject to the Conditions of the Licence, lawful instructions of the Commission and all applicable laws and regulations within the Turks and Caicos Islands.

2.2 The Licensee is authorized to provide Marine Mobile Broadband Services utilizing earth stations on board vessels that will communicate with the SES AMERICOM AMC-21 satellite. The AMC-21 satellite will communicate with a terrestrial hub, installed in a satellite teleport, located in Miami, Florida, U.S.A.

2.3 The Licence is personal to the Licensee. The Licensee shall not without the prior written consent of the Commission, sub-Licence, assign or grant any right, interest or entitlement in the Licence to any other person or transfer or dispose of any of its assets that are necessary to provide any service that the Licensee is obliged to provide under this Licence, unless such assets have adequately been replaced.

2.4 Nothing in this Licence permits the provision of Marine Mobile Broadband Internet Services to Terrestrial users in the Turks and Caicos Islands.

2.5 The Licensee shall connect to international systems using leased circuits from OTHER Licensed Operators or via restricted private satellite systems Licensed under the Ordinance.

3. LICENCE TERM

This Licence shall continue in force for 15 years, or until revoked by the Commission or surrendered by the Licensee.

4. LICENCE FEES

- (a) The Licensee shall pay Licence fees of \$2,600 (USD) annually on or before the Regulatory Deadline or such amount as may be determined by the Commission from time to time as set out in the Fees Regulations.
- (b) Without prejudice to other remedies of the Commission, if the Licensee fails to pay any amounts due to the Commission under Condition 4 (a) by the due date, the unpaid amount will accrue interest daily from the due date of payment at the rate of 3% above the prime lending rate calculated on the basis of the average business prime rate of the 3 largest chartered banks in the Turks and Caicos Islands.

5. CODES OF PRACTICE

The Licensee shall observe any code of practice duly issued from time to time by the Commission as a code of good practice.

6. TECHNICAL REGULATION

- (a) The Licensee shall comply with all instructions issued by the Commission in relation to:
 - (i) technical standards relating to telecommunications systems or telecommunications equipment;
 - (ii) procedures for testing telecommunications systems or telecommunications equipment; and
 - (iii) marking requirements for equipment.
- (b) The Licensee shall operate on a secondary non-interference basis and agrees to:
 - (i) maintain a 24/7 contact telephone number permitting Turks and Caicos regulators to contact KVH Industries staff and request shut down of ESV equipment creating harmful interference and
 - (ii) provide a spreadsheet identifying the name and port of call of each vessel with Marine Mobile Broadband equipment on board.

KVH Industries will provide the above-listed items to the address in the Notice Schedule.

7. CONSUMER PROTECTION

The licensee shall:

- (a) publish its terms and conditions for providing the Licensed Services to Users and any changes to any of those terms and conditions and ensure that tariffs for Subscribers, and minimum contractual periods (if any) are presented clearly and accurately; and
- (b) provide copies of those terms and conditions on a website and direct members of the public to this website upon request;

in each case free of charge.

- 7.1 The Licensee shall ensure the accuracy and reliability of any systems, equipment, data or procedures which the Licensee uses to measure or to track the provision of Licensed Services or the calculation of related charges.
- 7.2 The Licensee shall safeguard the privacy, confidentiality and use of any messages associated with the Licensed Services in accordance with applicable laws in force and codes of practice applying under Condition 5, and shall comply with all applicable laws and any codes of practice from time to time regarding the protection of personal data.
- 7.3 The Licensee shall implement an appropriate code of practice for handling complaints received from members of the public in respect of its provision of the Licensed Services. The Commission may from time to time issue instructions to the Licensee specifying any modifications or additions that it considers should be made to the code with regard to vessels Licensed to operate within the Turks and Caicos Islands. If a complaint remains unresolved after three (3) months, either party may refer it to the Commission for resolution.
- 7.4 The Licensee shall participate in good faith in any dispute resolution procedure established by the Commission with regard to vessels registered to Turks and Caicos, and shall comply with the determinations made under those procedures.
- 7.5 The Licensee shall provide sufficient detail in bills to Subscribers to facilitate verification of charges incurred by the Subscribers.

8. MATTERS OF NATIONAL INTEREST

- 8.1 The Licensee shall, in connection with provision of the Licensed Services:
 - (a) take reasonable steps to prevent any of them from being used in, or in relation to, the commission of offences against the laws of the Turks and Caicos Islands; and
 - (b) give officers and authorities of the Government such help as is reasonably necessary in the public interest and in the interests of national security.

9. PROVISION OF INFORMATION

- 9.1 For the purpose of monitoring the Licensee's compliance with the Licence or the Ordinance, or exercising the functions assigned to the Commission by law, the Licensee shall provide to the Commission (in the manner and at the times reasonably required by the Commission) any document, accounts, returns, estimates, reports or other information required by the Commission;
- 9.2 The Licensee may request that particular information provided by the Licensee be protected as confidential information; however, the Commission shall decide whether to protect any such information from disclosure, taking account of any submissions in support of confidentiality made by the Licensee.
- 9.3 The Commission may use and disclose information provided by the Licensee under the following conditions:
- (a) in compiling statistics and publishing periodic reviews of industry performance that include those statistics;
 - (b) in the course of exercising the functions assigned to the Commission by law; and
 - (c) as required by law or legal process.
- 9.4 The Licensee shall notify the Commission of the occurrence of any fact or event likely to materially affect the Licensee's ability to comply with any Condition immediately upon the Licensee becoming aware of the event.

10. AUDIT AND MAINTENANCE OF FINANCIAL DATA

- (a) The Licensee shall permit a person authorized by the Commission:
 - (1) to have access to and/or conduct an audit of the Licensee's business in relation to the Licensed Services within Turks and Caicos territorial waters; and
 - (2) to take any action which may be required, to ensure that the Licensed Services are being offered in accordance with the Conditions of the Licence.
- (b) The Licensee shall maintain an accounting system with the ability to generate reports indicating the revenue generated by KVH Industries in the Turks and Caicos territorial waters. Revenue is generated in the Turks and Caicos territorial waters if a data communication originates or terminates to a vessel with KVH Industries ESV equipment on board.
- (c) On or before the Regulatory Deadline, the Licensee must provide an audited financial statement identifying the revenue generated by KVH Industries in the territorial waters of the Turks and Caicos. If these revenues are less than \$50,000

(USD), the Licensee may submit a verified letter identifying that its annual revenues are less than \$50,000 (USD), no detailed audited financial statements would be necessary.

11. SANCTIONS FOR BREACH OF LICENCE

- 11.1 If the Commission has any reason to believe that a Licensee has failed to comply with any Condition, the Commission may serve a written notice on the Licensee:
- (a) specifying how the Licensee is failing to comply with the Condition or Conditions concerned; and
 - (b) affording the Licensee concerned an opportunity to make representations about the alleged breaches within twenty-eight (28) days of the date of the notice or such further period as the Commission deems reasonable or, in emergency, forthwith.
- 11.2 If, after consideration of any representations of the Licensee concerned or others affected, the Commission is satisfied that the Licensee has failed to comply with a Condition, the Commission may serve a notice on the Licensee:
- (a) specifying how in the Commission's opinion, the Licensee is failing to comply with any Condition specified in the notice; and
 - (b) stating that unless the Licensee takes specified steps to remedy the failure within the period specified in the notice, the Commission may take any one of the actions ("Sanctions") listed below in respect of that Licensee:
 - (i) publicly censure the Licensee concerned;
 - (ii) suspend the Licence;
 - (iii) fine the Licensee concerned; or
 - (iv) revoke the Licence,and may publish the notice and may thereafter exercise the relevant Sanction on written notice if the Licensee fails to comply with the notice.
- 11.3 Following an application by the Licensee, supported by written submissions, the Commission may withdraw any notice given under Condition 11.2 by a further notice if the Commission is satisfied that this is justified because of the Licensee's conduct since the date of the notice given under Condition 11.2.

12. MODIFICATION

Any modification to this Licence shall be made in accordance with section 12 of the Ordinance and any other requirements under applicable law.

13. NOTICES

13.1 Any notice or notification under the Conditions shall be:

- (a) in writing;
- (b) addressed to the recipient at the address for service of notice specified for the recipient in the Schedule to this Licence, as amended by notice given in accordance with this Condition; and
- (c) left at or sent by prepaid post to that address, or sent by facsimile to the facsimile number identified in the Schedules to this Licence.

13.2 A notice given in accordance with Condition 13.1 is received:

- (a) if left at the recipient's address, on the date of delivery;
- (b) if sent by prepaid post, 2 days after the date of posting; and
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission.

SCHEDULE

NOTICES

The Licensee:

KVH Industries, Inc.
Attn: Ms Felise Feingold
50 Enterprise Center Middletown, RI 02842
USA

The Commission:

Turks and Caicos Islands
Telecommunications Commission
Business Solutions Complex
Leeward Highway
Providenciales
Turks and Caicos Islands

ATTESTATION CLAUSES



Signature: *Gordon Wetherell*

GORDON WETHERELL, Governor of the Turks and Caicos Islands, acting as Minister responsible for Communications.

ACCEPTED AND CONFIRMED:

Signature: *Felise Feingold*

Date: *June 1, 2010*

Name: *Felise Feingold*

Authorized to sign on behalf of

Capacity: *VP General Counsel*

KVH Industries, Inc