

KEYW HOLDING CORP
Form DEF 14A
April 09, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ☒

Filed by a party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ Confidential, For Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to §240.14a-12

The KEYW Holding Corporation

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(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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☒ No fee required.

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4)

Date Filed:

THE KEYW HOLDING CORPORATION

Fellow Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of The KeyW Holding Corporation (“KeyW” or the “Company”) to be held at KeyW’s Corporate Headquarters, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076, on Thursday, May 9, 2019 at 12:00 p.m. Eastern Time.

As discussed in the enclosed Proxy Statement, the matters to be acted on at the Annual Meeting are: (1) the election of directors, (2) the ratification of the appointment of the Company’s independent registered public accounting firm, and (3) a non-binding advisory vote on executive compensation (a “Say-on-Pay” vote). There will be an opportunity for stockholders to present questions to management and to a representative of the Company’s independent registered public accounting firm.

The Company’s 2018 Annual Report is enclosed. The 2018 Annual Report is not a part of the enclosed Proxy Statement.

Whether or not you plan to attend, we request that your shares of stock be represented and voted at the Annual Meeting. You can accomplish this by completing, signing, dating and promptly returning the enclosed Proxy Card in the enclosed envelope or by transmitting your voting instructions online at www.proxyvote.com. If you sign and return your Proxy Card without specifying your choices, your shares will be voted in accordance with the recommendations of the Company’s Board of Directors contained in the enclosed Proxy Statement.

We look forward to seeing you on May 9, 2019 and urge you to return your Proxy Card as soon as possible.

Respectfully yours,

William J. Weber

President and Chief Executive Officer

Hanover, Maryland

April 9, 2019

THE KEYW HOLDING CORPORATION

7740 Milestone Parkway, Suite 400

Hanover, Maryland 21076

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 9, 2019

Notice is hereby given that the Annual Meeting of Stockholders (the “Annual Meeting”) of The KeyW Holding Corporation, a Maryland corporation, (“KeyW” or the “Company”), will be held at 12:00 p.m. Eastern Time on Thursday, May 9, 2019, at KeyW’s Corporate Headquarters, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076, for the following purposes:

1. To elect nine (9) directors to serve until the next Annual Meeting of Stockholders or until their successors are duly elected and qualified;
2. To ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. To take a non-binding advisory vote to approve the compensation paid to the Company’s named executive officers (“Say-on-Pay”); and
4. To transact such other business as may properly come before the Annual Meeting.

Your attention is directed to the accompanying Proxy Statement for further information with respect to the matters to be acted upon at the Annual Meeting.

The Company’s Board of Directors has fixed the close of business on March 21, 2019 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting. The stock transfer books will not be closed.

Please indicate your vote, date and sign the enclosed Proxy Card and promptly return it in the enclosed pre-addressed envelope or transmit your voting instructions online at www.proxyvote.com. Have your Proxy Card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form. The prompt voting of proxies will assure a quorum and reduce solicitation expenses. If you are a stockholder of record and are personally present at the Annual Meeting and wish to vote your shares in person, even after returning your Proxy Card, you still may do so.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on May 9, 2019

The Proxy Statement and 2018 Annual Report are available at www.proxyvote.com.

BY ORDER OF THE BOARD OF DIRECTORS

Philip Luci, Jr.

Corporate Secretary

Hanover, Maryland

April 9, 2019

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THE KEYW HOLDING CORPORATION

7740 Milestone Parkway, Suite 400

Hanover, Maryland 21076

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 9, 2019

This Proxy Statement and enclosed Proxy Card are furnished to the holders of common stock, \$0.001 par value (the “Common Stock”), of The KeyW Holding Corporation, a Maryland corporation (“KeyW” or the “Company”) and is solicited by the Board of Directors of the Company (the “Board of Directors”) for use at the Annual Meeting of Stockholders to be held on May 9, 2019 and at any adjournments thereof (the “Annual Meeting”). The Annual Meeting will be held at 12:00 p.m. Eastern Time on Thursday, May 9, 2019, at KeyW’s Corporate Headquarters, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076. The approximate date on which the Notice of Annual Meeting, Proxy Statement and Proxy Card are first sent or given to stockholders is April 9, 2019.

The shares represented by all properly executed proxies will be voted at the Annual Meeting in accordance with instructions thereon. If no instructions are indicated, the Proxy will be voted “FOR” the nominees for director listed under the caption “Proposal 1” herein; “FOR” ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the 2018 fiscal year under the caption “Proposal 2” herein; and “FOR” the Say-on-Pay proposal under the caption “Proposal 3” herein. The Company’s Board of Directors recommends that the stockholders vote in favor of each of the proposals. All valid proxies obtained will be voted at the discretion of the Board of Directors with respect to any other business that may properly come before the Annual Meeting.

The Board of Directors has fixed the close of business on March 21, 2019 as the record date (the “Record Date”) for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof.

As of the Record Date, there were 50,056,676 shares of the Company’s Common Stock outstanding. Holders of shares of Common Stock of record as of the close of business on the Record Date will be entitled to vote at the Annual Meeting. Holders of Common Stock are entitled to one vote on all matters presented at the meeting for each share held of record. The presence in person or by proxy of holders of record of a majority of the shares outstanding as of the Record Date will be required for a quorum to transact business at the Annual Meeting. If a quorum should not be present, the Annual Meeting may be adjourned from time to time by a majority of stockholders present until a quorum is obtained.

The nominees to be selected as directors must receive a majority of the votes cast at the Annual Meeting to be elected. Each other proposal must receive a majority of the votes cast at the Annual Meeting to be approved. Abstentions and broker non-votes will have no effect on the proposals because broker non-votes will not be considered as present or voting and abstentions will be counted only for purposes of determining whether there is a quorum.

Proxies may be revoked before they are voted at the Annual Meeting by giving written notice of revocation to the corporate secretary of the Board of Directors (the “Corporate Secretary”), by submission of a Proxy bearing a later date, or by attending the Annual Meeting in person and voting by ballot.

The cost of preparing and mailing this Proxy Statement and the accompanying Proxy Card will be borne by the Company and the Company will pay the cost of soliciting proxies. In addition to solicitation by mail, certain officers and regular employees of the Company, employees of the Company’s transfer agent, Computershare, may solicit the return of proxies by telephone, email or in person. The Company will also reimburse brokers, nominees and other fiduciaries for their expenses in forwarding solicitation materials to the beneficial owners of Common Stock and soliciting them to execute proxies.

Any document referenced in this Proxy Statement is available without charge to any stockholder of record upon request. All requests shall be made either in writing and directed to the Company at its main office address, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076, by e-mail and directed to corporatesecretary@keywcorp.com or orally and directed to the Corporate Secretary at 443-733-1600.

VOTING SECURITIES AND PRINCIPAL HOLDERS

General

The voting securities of the Company consist of Common Stock. On the Record Date there were 50,056,676 shares of Common Stock outstanding. Each share of Common Stock is entitled to one vote on each matter to be acted upon at the Annual Meeting.

Security Ownership of Certain Beneficial Owners and Management

The following table and accompanying notes set forth as of March 21, 2019, information with respect to the beneficial ownership of the Company's Common Stock by (i) each person or group who beneficially owns more than 5% of the Common Stock, (ii) each of the directors of the Company, (iii) each of the Company's named executive officers, and (iv) all directors and executive officers of the Company as a group. Unless otherwise indicated by footnote, the nature of all beneficial ownership is direct.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class ⁽¹⁾	
5% Owners			
BlackRock, Inc. ⁽²⁾	3,339,937	6.67	%
Capital Research Global Investors ⁽³⁾	3,286,400	6.57	%
Dimensional Fund Advisors LP ⁽⁴⁾	2,561,624	5.12	%
FMR, LLC ⁽⁵⁾	7,478,596	14.94	%
Franklin Resources, Inc. and related parties ⁽⁶⁾	3,565,321	7.12	%
GO ETF Solutions LLP and related parties ⁽⁷⁾	2,624,971	5.24	%
Neuberger Berman Group, LLC and related parties ⁽⁸⁾	2,724,249	5.44	%
Directors and Executive Officers *			
Mike Alber ⁽⁹⁾	19,000	**	
Deborah Bonanni ⁽¹⁰⁾	87,103	**	
Bill Campbell ⁽¹¹⁾	114,490	**	
Kirk Herdman ⁽¹²⁾	5,000	**	
Shep Hill ⁽¹³⁾	38,275	**	
Chris Inglis ⁽¹⁴⁾	39,103	**	
Phil Luci ⁽¹⁵⁾	64,757	**	
Ken Minihan ⁽¹⁶⁾	107,603	**	
Art Money ⁽¹⁷⁾	112,346	**	
Caroline Pisano ⁽¹⁸⁾	1,285,775	2.57	%
Mark Sopp ⁽¹⁹⁾	99,103	**	
John Sutton ⁽²⁰⁾	535	**	
Bill Weber ⁽²¹⁾	72,528	**	
All Directors and Executive Officers as a Group (13 persons) ⁽²²⁾	2,045,618	4.07	%

* The address of all directors and executive officers is c/o The KeyW Holding Corporation, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076.

**

Less than 1%.

The percentages are calculated on the basis of 50,056,676 shares outstanding as of March 21, 2019 plus, for each person listed, securities deemed outstanding pursuant to Rule 13d-3(d)(1) under the Securities Exchange Act of (1) 1934, as amended (the "Exchange Act"). All restricted stock regardless of vesting status is included since these shares have voting rights.

Based solely on a Schedule 13G/A filed with the SEC on February 6, 2019 by BlackRock, Inc. on behalf of BlackRock and certain of its subsidiaries. Principal Business Office address is 55 East 52nd Street, New York, NY (2) 10055. The report states that BlackRock has sole voting power over 3,238,212 shares and sole dispositive power over 3,339,937 shares.

Based solely on a Schedule 13G/A filed with the SEC on February 14, 2019 by Capital Research Global Investors. (3) Principal Business Office address is 333 South Hope Street, Los Angeles, CA 90071. Capital Research Global Investors holds these shares on behalf of SMALLCAP World Fund, Inc.

Based solely on a Schedule 13G filed with the SEC on February 8, 2019 by Dimensional Fund Advisors LP and certain of its subsidiaries. Principal Business Office address is Building One, 6300 Bee Cave Road, Austin, TX (4) 78746. The report states that Dimensional has sole voting power over 2,426,778 shares and sole dispositive power over 2,561,624 shares. Dimensional disclaims beneficial ownership of the shares.

Based solely on a Schedule 13G/A filed with the SEC on February 13, 2019 by FMR, LLC on behalf of Abigail P. Johnson and Fidelity Mid-Cap Stock Fund. Principal Business Office address is 245 Summer Street, Boston, MA 02210. The report states that FMR has sole voting power over 834,841 shares and each of FMR and Ms. Johnson (by virtue of her control over FMR and affiliated entities) has sole dispositive power over all 7,478,596 shares. Fidelity Mid-Cap Stock Fund has sole voting power over 4,527,536 shares.

(6) Based solely on a Schedule 13G/A filed with the SEC on January 28, 2019 by Franklin Resources, Inc., Charles B. Johnson, Rupert H. Johnson, Jr. and Franklin Advisers, Inc. Principal Business Office address is One Franklin Parkway, San Mateo, CA 94403-1906. The report states that Franklin Advisers, Inc. has sole voting and dispositive power over 3,479,892 shares and Fiduciary Trust Company International has the sole voting and dispositive power over 85,429 shares. The report states that Franklin Small Cap Growth Fund has pecuniary interest in 3,160,382 shares.

(7) Based solely on a Schedule 13G filed with the SEC on February 13, 2019 by GO ETF Solutions LLP, GO UCITS ETF Solutions PLC, and Legal & General Investment Management Limited. Principal Business Office addresses are One Coleman Street, London, EC2R 5AA for GO ETF Solutions LLP and Legal & General Investment Management Limited and 2 Grand Canal Square, Dublin 2, Ireland for GO UCITS ETF Solutions PLC. The report states that GO ETF Solutions LLP has sole voting and dispositive power over 2,623,333 shares and Legal & General Investment Management Limited has sole voting and dispositive power over 1,638 shares.

(8) Based solely on a Schedule 13G/A filed with the SEC on February 14, 2019 by Neuberger Berman Group, LLC and Neuberger Berman Investment Advisers, LLC. Principal Business Office address is 1290 Avenue of the Americas, New York, NY 10104. The report states that Neuberger Berman Group, LLC and Neuberger Berman Investment Advisers, LLC have shared voting power over 2,169,914 shares and shared dispositive power over 2,724,249 shares.

(9) Of the shares shown as beneficially owned, 19,000 are owned directly by Mr. Alber.

(10) Of the shares shown as beneficially owned, 25,846 are owned directly by Ms. Bonanni, 29,757 are unvested restricted stock and 31,500 represent presently exercisable rights to acquire common stock through stock options.

(11) Of the shares shown as beneficially owned, 44,233 are owned directly by Mr. Campbell, 29,757 are unvested restricted stock, 20,500 represent presently exercisable rights to acquire common stock through stock options and 20,000 represent presently exercisable rights to acquire common stock through stock options held by Sanoch Management LLC, a consulting firm controlled by Mr. Campbell.

(12) Of the shares shown as beneficially owned, 5,000 are owned directly by Mr. Herdman.

(13) Of the shares shown as beneficially owned, 8,518 are owned directly by Mr. Hill and 29,757 shares are unvested restricted stock.

(14) Of the shares shown as beneficially owned, 9,346 are owned directly by Mr. Inglis and 29,757 shares are unvested restricted stock.

(15) Of the shares shown as beneficially owned, 55,757 are owned directly by Mr. Luci, and 9,000 represent presently exercisable rights to acquire common stock through stock options.

(16) Of the shares shown as beneficially owned, 32,346 are owned directly by Mr. Minihan, 29,757 are unvested restricted stock, and 45,500 represent presently exercisable rights to acquire common stock through stock options.

(17) Of the shares shown as beneficially owned, 35,508 are owned directly by Mr. Money, 29,757 are unvested restricted stock, 1,581 represent presently exercisable rights to acquire common stock through warrants, and 45,500 represent presently exercisable rights to acquire common stock through stock options.

(18) Shares deemed to be beneficially owned by Caroline S. Pisano include: (i) shares held by Ms. Pisano herself, who beneficially owns 877,943 shares of common stock, 44,635 shares of unvested restricted stock, and 18,000 shares representing presently exercisable rights to acquire common stock through stock options; (ii) 340,197 shares of common stock held by The Caroline S. Pisano 2009 Irrevocable Trust and (iii) 5,000 shares owned by her mother who resides in her household. Ms. Pisano has voting and dispositive power over the shares beneficially owned by the trust. Ms. Pisano disclaims beneficial ownership of the shares held by the trust except to the extent of her

pecuniary interest therein and disclaims beneficial ownership of the securities held by her mother.

(19) Of the shares shown as beneficially owned 69,346 are owned directly by Mr. Sopp and 29,757 are unvested restricted stock.

(20) Of the shares shown as beneficially owned, 535 are owned directly by Mr. Sutton.

(21) Of the shares shown as beneficially owned 47,528 are owned directly by Mr. Weber and 25,000 are unvested restricted stock.

(22) Of the shares shown as beneficially owned, 190,000 represent presently exercisable rights to acquire Common Stock through stock options and 1,581 represent presently exercisable rights to acquire common stock through warrants.

THE BOARD OF DIRECTORS AND COMMITTEES

Board Composition

Our Board currently consists of nine individuals. Directors are elected annually, and each director holds office for a one-year term. The Board of Directors generally meets quarterly. Additionally, our bylaws provide for special meetings and, as also permitted by Maryland law, board action may be taken without a meeting upon unanimous written consent of all directors.

The biographical information presented later in this Proxy Statement discusses the specific experience, qualifications, attributes and skills contributing to our conclusion that each nominee for director should serve as a member of our Board of Directors. Our goal in selecting board members is to compose leadership that has a broad base of knowledge and experience targeted to our business and industry, which allows our Board to engage in forthright discussion about our strategies, risks and plans as a Company. Members of the Board of Directors who have an investment stake in our Company have interests that are aligned with our Company's desire to grow and prosper. We believe that each Board member has demonstrated business acumen and an ability to exercise sound and ethical judgment, as well as a commitment of service to our Company and to our Board of Directors during the period leading up to this filing. Finally, we value their significant experience on other public company boards of directors and board committees, in government agencies, and in private companies, which when aggregated as a full board we feel provides the level of expertise necessary in directing our Company.

Director Independence

Under the NASDAQ Marketplace Rules, a majority of our Board of Directors must be comprised of independent directors, and each member of our Audit, Compensation and Nominating and Corporate Governance Committees must be an independent director, as defined under the NASDAQ Marketplace Rules. Under the NASDAQ Marketplace Rules, a director will not qualify as an "independent director" if, in the opinion of the company's Board of Directors, the director has any relationship which would interfere with the exercise of the director's independent judgment in carrying out his or her responsibilities as a director. In addition, under the NASDAQ Marketplace Rules, an independent director may not be an executive officer or employee of our company and must satisfy certain other requirements under the NASDAQ Marketplace Rules.

In addition, each member of our Audit Committee must satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other Board Committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the company or any of its subsidiaries; or (2) be an affiliated person of the company or any of its subsidiaries.

Our Board of Directors has undertaken a review of the independence of each director and nominee for director under the NASDAQ Marketplace Rules and under applicable securities laws and rules. As a result of this review, our Board of Directors affirmatively determined that Ms. Bonanni, Ms. Pisano, Mr. Campbell, Mr. Hill, Mr. Inglis, Mr. Minihan, Mr. Money, and Mr. Sopp, representing a majority of our Board of Directors, each are “independent directors” as defined under the NASDAQ Marketplace Rules and that each member of our Audit Committee satisfies the independence requirements of Rule 10A-3 of the Exchange Act.

Board Leadership Structure

As of May 27, 2015, Caroline Pisano was appointed as Chairman of the Board. Mr. William (“Bill”) J. Weber was appointed President, Chief Executive Officer and a director effective October 1, 2015. As set forth above, eight (8) of our nine (9) current directors satisfy NASDAQ independence requirements. Independent directors head each of the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee, and each of the Committees is comprised solely of independent directors.

Board Committees

Our Board of Directors has established an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee, with each Committee having the composition and responsibilities described below. The members of each Committee are appointed by our Board of Directors. Copies of the charters of each of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee setting forth the responsibilities of the Committees are available on our website at www.keywcorp.com. We periodically review and revise the Committee charters.

Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Mark Sopp, Chairperson	Art Money, Chairperson	Ken Minihan, Chairperson
Shep Hill	Bill Campbell	Deborah Bonanni
Art Money	Shep Hill	Chris Inglis
Caroline Pisano	Mark Sopp	

Audit Committee

Our Board of Directors has determined that each member of the Audit Committee meets the financial literacy requirements under the NASDAQ Marketplace Rules and that each of Ms. Pisano and Mr. Sopp qualifies as an “Audit Committee financial expert” under the SEC rules implementing Section 407 of the Sarbanes-Oxley Act of 2002. In addition, our Board of Directors has determined that each member of our Audit Committee is an independent director under the listing standards of the NASDAQ Marketplace Rules and is independent pursuant to Rule 10A-3 of the Exchange Act. As provided for in the Committee’s charter, as approved by our Board of Directors, our Audit Committee is responsible for, among other things:

Determining the appointment, compensation, retention and oversight of our independent registered public accounting firm; evaluating the qualifications, performance and independence of our independent registered public accounting firm, and approving the audit and non-audit services to be performed by our independent registered public accounting firm;

- Overseeing our accounting and financial reporting processes and the audits of our financial statements; and
- Reviewing and assessing the qualitative aspects of our financial reporting, our processes to manage business and financial risk, and our compliance with significant applicable legal, ethical and regulatory requirements as they relate to financial statements or accounting matters.

The Audit Committee held fourteen meetings in 2018.

Compensation Committee

As provided for in the Committee’s charter, as approved by our Board of Directors, our Compensation Committee is responsible for, among other things:

- Reviewing and recommending KeyW’s general policy regarding executive compensation;
-

Reviewing and recommending compensation for our chief executive officer and our other Named Executive Officers, including annual base salary, annual incentive bonus (including the specific goals required to receive an annual incentive bonus and the amount of any such annual incentive bonus), equity compensation and any other benefits or compensation;

• Reviewing and recommending any employment-related agreements, severance arrangements and change-of-control arrangements and similar agreements/arrangements for our executive officers;

• Reviewing and recommending to our Board of Directors, compensation plans for our employees and amendments to our compensation plans;

• Preparing the Compensation Committee report that the SEC requires to be included in our annual proxy statement; and

- Overseeing, reviewing and making recommendations with respect to our equity incentive plans.

Our Board of Directors has determined that each member of our Compensation Committee is an “independent director” as defined under the NASDAQ Marketplace Rules.

The Compensation Committee held six meetings in 2018.

Compensation Committee Interlocks and Insider Participation

No person who served as a member of the Compensation Committee during the last completed fiscal year: (a) was, during the fiscal year, an officer or employee of the Company; (b) was formerly an officer or employee of the Company; or (c) had any relationships requiring disclosure under Item 404 of Regulation S-K.

During the last completed fiscal year: (a) no executive officer of the Company served as a member of the Compensation Committee (or other Board Committee performing equivalent functions or, in the absence of any such Committee, the entire Board of Directors) of another entity, one of whose executive officers served on the Compensation Committee of the Company; (b) no executive officer of the Company served as a director of another entity, one of whose executive officers served on the Compensation Committee of the Company; and (c) no executive officer of the Company served as a member of the Compensation Committee (or other Board Committee performing equivalent functions or, in the absence of any such Committee, the entire Board of Directors) of another entity, one of whose executive officers served as a director of the Company.

Nominating and Corporate Governance Committee

As provided for in the Committee's charter and as approved by our Board of Directors, our Nominating and Corporate Governance Committee is responsible for, among other things:

- Reviewing developments in corporate governance practices and developing and recommending governance principles, policies and procedures applicable to KeyW;
- Identifying, reviewing and recommending to our Board of Directors nominees for election to our Board of Directors and to fill vacancies on our Board of Directors;
- New director orientation;
- Reviewing and making recommendations to our Board of Directors regarding Board Committee structure and membership; and
- Succession planning for our executive officers.

Our Board of Directors has determined that each member of our Nominating and Corporate Governance Committee is an "independent director" as defined under the NASDAQ Marketplace Rules.

The Nominating and Corporate Governance Committee adopted the Corporate Governance Guidelines on April 30, 2010 (the "Guidelines"). The Guidelines are designed to assist the Board of Directors in the exercise of its responsibilities and provides guidance on matters such as: board size and composition, selection of directors, stockholder nominations, selection of Chairperson, expectations for directors, board responsibilities, board meetings, executive sessions, the committees of the board, orientation and continuing education, and reliance on management and outside counsel.

The Nominating and Corporate Governance Committee held four meetings in 2018.

Director Selection Criteria

Our goal in selecting directors is to compose leadership that has a broad base of knowledge and experience targeted to our business and industry, which allows our Board of Directors to engage in forthright discussion about our strategies, risks and plans as a Company.

The Nominating and Corporate Governance Committee identifies, reviews and recommends candidates to serve on the Board of Directors. The Committee may use outside consultants to assist in identifying candidates. Final approval of a candidate is determined by the full Board. The Committee and the Board of Directors takes the following factors into consideration, including such other factors as the Board of Directors may determine:

Regulatory Requirements. Assuring that the Board has directors who meet the applicable criteria for Committee or Board membership established by regulatory entities including NASDAQ, the Securities and Exchange Commission, and the Internal Revenue Service.

Independence. Assuring that at least a majority of the Board will be independent directors in accordance with NASDAQ regulations.

Overall Board Composition. Considering the Board's overall composition in light of current and future needs. Among the characteristics the Committee may consider are: professional skills and background, experience in relevant industries, diversity, age and geographic background.

- *Performance.* Considering the past performance of incumbent directors.

Other Criteria. Particularly with regard to new directors, assessing whether the candidates have the qualities expected of all directors, including integrity, judgment, acumen, and the time and ability to make a constructive contribution to the Board.

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Notice. To assure that the Board has ample notice of potential recommended changes in the Board, the Nominating and Corporate Governance Committee will inform the Board of the criteria used by the Committee in evaluating director nominations in advance of, and at the time of, submitting such nominations to the Board.

The Board of Directors, taking into consideration the recommendations of the Nominating and Corporate Governance Committee, is responsible for selecting the nominees for election to the Board by the stockholders and for appointing directors to the Board to fill vacancies and newly created directorships, with primary emphasis on the criteria set forth above. The Board of Directors, taking into consideration the assessment of the Nominating and Corporate Governance Committee, also makes a determination as to whether a nominee or appointee would be an independent director.

Stockholder Nominations

The Company welcomes nominations from stockholders and encourages interested stockholders to submit candidates to the Nominating and Corporate Governance Committee through the Corporate Secretary. The Nominating and Corporate Governance Committee shall give appropriate consideration to candidates for the Board of Directors recommended for nomination by stockholders in accordance with the Company's bylaws and shall evaluate such candidates in the same manner as other candidates identified to the Committee. The Company has not received any recommended nominees from any stockholder to date. Stockholders can send nominations by e-mail to corporatesecretary@keywcorp.com, by fax to (443) 733-1801 or by mail to Corporate Secretary, The KeyW Holding Corporation, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076.

Code of Ethics

KeyW has adopted a code of business conduct and ethics applicable to all of our officers (including our CEO and CFO), directors, and employees. A copy of that code is available on our corporate website at www.keywcorp.com. The policies and procedures address a wide array of professional conduct, including, but not limited to:

Conduct	Political Contributions, Activities and Public Positions
Public Disclosure	Government Officials and Company Personnel
Legal Compliance	Payments to Employees of Customers or Suppliers
Government Business	Conflict of Interest
Company Records and Accounts	Compliance with Tax and Currency Laws
Insider Trading	Import and Export
Vigilant Reporting	Time Recording
Indoctrination	Reporting of Violations

Any person may receive a copy of this Code of Ethics at no charge by contacting the Company's Corporate Secretary via mail, email to corporatesecretary@keywcorp.com or by phone at 443-733-1600.

Employees with complaints or concerns may report these through the KeyW OpenBoard which provides an anonymous and confidential method for reporting any issues or concerns. Employees may present concerns anonymously through OpenBoard at 866-265-3857. Confidential reports also may be submitted by mail addressed to the Corporate Secretary for delivery to the Board of Directors or submitted online at <https://www.openboard.info/keyw/index.cfm>.

Communication between Stockholders and Directors

The Board of Directors recommends that stockholders initiate any communications with the Board of Directors in writing and send them in care of the Corporate Secretary. Stockholders can send communications by e-mail to corporatesecretary@keywcorp.com, by fax to 443-733-1801 or by mail to Corporate Secretary, The KeyW Holding Corporation, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076. This centralized process will assist the Board of Directors in reviewing and responding to stockholder communications in an appropriate manner. The name of any specific intended Board recipient should be noted in the communication. The Board of Directors has instructed the Corporate Secretary to forward such correspondence only to the intended recipients; however, the Board of Directors has also instructed the Corporate Secretary, prior to forwarding any correspondence, to review such correspondence and, in his discretion, not to forward certain items if they are deemed of a commercial, inflammatory or frivolous nature or otherwise inappropriate for the Board of Directors' consideration. In such cases, some of that correspondence may be forwarded elsewhere in the Company for review and possible response.

Director Attendance at Board Meetings and Annual Meeting

The Board of Directors held six meetings during 2018. The Board of Directors held one independent directors meetings without management during 2018. Each director attended more than 95% of the total number of meetings of the Board and Committees on which they served. It is the policy of the Company and Board of Directors that all directors attend the Annual Meeting of Stockholders and be available for questions from the stockholders. All directors attended the 2018 Annual Meeting of Stockholders. It is anticipated that all directors nominated for election at the Annual Meeting will be in attendance at the Annual Meeting.

Board Role in Risk Oversight

The role of the Board of Directors in the risk oversight process includes receiving regular reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, and strategic and reputational risks. In connection with its reviews of the operations of the Company's business units and corporate functions, the Board of Directors considers and addresses the primary risks associated with those units and functions. The full Board of Directors regularly engages in discussions of the most significant risks that the Company is facing and how these risks are being managed.

In addition, each of the Committees, and particularly the Audit Committee, plays a role in overseeing risk management issues that fall within each Committee's areas of responsibility. Senior management reports on at least a quarterly basis to the Audit Committee on the most significant risks facing the Company from a financial reporting perspective and highlights any new risks that may have arisen since the Audit Committee last met. The Audit Committee also meets regularly in executive sessions with the Company's independent registered public accounting firm and reports any findings or issues to the full Board of Directors. Other Committees meet in executive sessions as necessary. In performing its functions, the Audit Committee and each Committee of the Board of Directors has full access to management, as well as the ability to engage advisors. The Board of Directors receives reports from each of the Committees regarding each Committee's particularized areas of focus.

Director Compensation

Cash Awards

Directors who are full-time employees of KeyW receive no additional compensation for their service as directors. With respect to non-employee directors, our philosophy is to provide competitive compensation necessary to attract and retain outstanding people to our Board of Directors. The Compensation Committee reviews annually the form and amount of director compensation, and as part of its review of the compensation policies of KeyW, has sought input from the Company's Compensation Consultant (defined below) as to director compensation practices of similarly-situated companies.

On May 18, 2016 and effective July 1, 2016, the Board of Directors and the Compensation Committee approved the following non-employee director cash compensation levels, which continue to apply to director compensation paid in 2018:

- Annual retainer of \$45,000 for Board service with the Chairman of the Board receiving a retainer of \$75,000;
 - Audit Committee chairperson retainer of \$15,000;
 - Compensation Committee chairperson retainer of \$10,000; and
 - Nominating and Corporate Governance Committee chairperson retainer of \$7,500.

Equity Awards

The current practice for non-employee directors is to grant restricted stock annually based on the market value at the time of grant. The annual aggregate value of the grant considers multiple factors, including, but not limited to market practices, the Company's share price at the time of grant, and annual share utilization.

The table below summarizes the compensation paid by KeyW to non-employee directors for the fiscal year ended December 31, 2018.

Director Name	Fees Earned or Paid in Cash (\$)	Stock Awards(\$) ^{(1) (2)}	Total (\$)
Deborah Bonanni	45,000	90,057	135,057
Bill Campbell	45,000	90,057	135,057
Shep Hill	45,000	90,057	135,057
Chris Inglis	45,000	90,057	135,057
Ken Minihan	52,500	90,057	142,557
Art Money	55,000	90,057	145,057
Caroline Pisano	75,000	135,081	210,081
Mark Sopp	60,000	90,057	150,057

On November 13, 2018, each non-employee director was awarded 9,757 shares of restricted stock except ⁽¹⁾Chairperson Pisano who received 14,635 shares. The shares have a vesting schedule of 50% vesting at each of the first and second year grant date anniversaries. The fair market value of the stock was \$9.23 per share. Amounts reported in this column reflect the aggregate grant date fair value as calculated under FASB ASC Topic 718. For a description of the assumptions used in making these calculations see “Management’s Discussion and ⁽²⁾Analysis of Financial Condition and Results of Operations” and our audited financial statements and notes in our Form 10-K for the fiscal year ended December 31, 2018.

The non-employee directors held the following numbers of stock options and unvested restricted stock as of December 31, 2018.

Director Name	Stock Options Outstanding	Unvested Restricted Stock Awards
Deborah Bonanni	31,500	19,757
Bill Campbell	40,500	19,757
Shep Hill	—	19,757
Chris Inglis	—	19,757
Ken Minihan	45,500	19,757
Art Money	45,500	19,757
Caroline Pisano	18,000	29,635
Mark Sopp	—	19,757

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The following Compensation Discussion and Analysis (“CD&A”) provides an overview and analysis of the compensation programs applicable to each person that served as our principal executive officer or principal financial officer during 2018 and our three other most highly compensated executive officers for 2018 (referred to herein as our Named Executive Officers, or NEOs), and certain executive compensation policies for 2018. This section also explains our general compensation philosophy and objectives and how we made compensation decisions for our NEOs for 2018.

NEOs in 2018

- Bill Weber — President & Chief Executive Officer (CEO);
- Mike Alber — Executive Vice President (EVP), Chief Financial Officer (CFO);
- Kirk Herdman — EVP, Corporate Strategy and Business Development;
- Phil Luci — EVP, General Counsel and Corporate Secretary; and
- John Sutton — EVP, Chief Operating Officer (COO).

This discussion contains forward-looking statements based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion.

2018 Say-on-Pay Vote

The Annual Meeting of Stockholders of KeyW was held on May 10, 2018. In the Company’s Proxy Statement filed on April 6, 2018, the Board of Directors of the Company recommended that stockholders vote to approve, by a non-binding advisory vote, the compensation of the Company’s NEOs (“Say-on-Pay”). As the Compensation Committee made its fiscal year 2018 compensation decisions, it considered that the Company’s stockholders approved the Say-on-Pay proposal by a 97% majority at the 2018 Annual Meeting. The Company also actively engages with our shareholders to understand our shareholders’ views towards the programs and reviews comments from shareholder advisory services.

Compensation Philosophy and Objectives

The overall goal of our compensation programs is to attract, retain, and motivate qualified, talented, diverse, and results-oriented leaders who are enthusiastic about our mission and culture by providing competitive compensation and benefits to our executive officers consistent with our focus on controlling costs. We believe that compensation plays a role in, but is not the exclusive means of, achieving these goals. Non-financial attributes, that include an environment of integrity, rewarding and innovative work, challenging projects, and career growth opportunities also help us to attract and motivate the leaders we seek to employ at KeyW.

We aim to design our compensation programs so that our executive officers are motivated both to achieve strong short-term (annual) performance goals and to contribute to the creation of long-term stockholder value. Accordingly, a significant portion of each executive's total compensation is tied to the achievement of annual and long-term performance goals and long-term stock appreciation. In addition, we believe that annual incentive compensation for our executive officers should be based primarily on the achievement of objective corporate financial goals, with the flexibility to also reward our executives for exceptional contributions to the achievement of these goals or for the achievement of specific individual goals or other corporate performance goals.

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Compensation Policies and Practices That Reflect Our Compensation Philosophy

What We Do

Pay for Performance
Provide an Appropriate Mix of Long-Term and Short-Term Incentives
Benchmark Compensation Against an Appropriate Peer Group
Maintain Clawback Rights
Monitor for Risk-Taking Incentives
Maintain Stock Ownership Requirements
Prohibit Hedging
Limit Perquisites
Engage an Independent Compensation Consultant
Hold Executive Sessions at Each Committee Meeting
Provide Competitive Change of Control and Severance Benefits

What We Do Not Do

XNo Gross-Ups for Taxes
XNo “Single Trigger” Cash Severance Agreements
XNo Repricing of Options without shareholder approval
XNo Guaranteed Bonuses or Salary Increases

Determination of Executive Compensation

Role of Compensation Committee and Board of Directors. We established a Compensation Committee of our Board of Directors in January 2009 to review and recommend to our full Board of Directors compensation for our executive officers, including our NEOs. Since its formation, the Compensation Committee has been responsible for:

- reviewing and recommending corporate goals and objectives as they relate to executive compensation;
 - evaluating the performance of executive officers and recommending their compensation;
 - overseeing the administration of incentive and equity-based compensation plans;
 - recommending new plans, plan amendments, and/or the termination of current plans;
- recommending non-employee directors’ compensation, such as retainers, chairperson fees, or equity grants; and
 - overseeing the work of external consultants advising KeyW on compensation matters.

For a more detailed description of the role of our Compensation Committee, see “Board Committees—Compensation Committee” above.

Role of Management. Our Chief Executive Officer participates in meetings of our Compensation Committee upon the request of its members and in meetings of our Board of Directors as a member of the Board and makes recommendations to the Compensation Committee and Board of Directors with respect to base salary, the setting of

performance targets, the amounts of any short-term and long-term incentive compensation and equity awards for our executive officers. The Compensation Committee also works with our Chief People Officer, CFO and General Counsel in evaluating the financial, accounting, tax and retention implications of our various compensation programs. Neither the CEO, nor any of our other NEOs, participates in deliberations relating to his or her own compensation.

Role of Compensation Consultant. We believe that competitive compensation programs are critical in attracting, retaining and motivating the talent KeyW needs to achieve its stated objectives. Beginning in November 2016, our Compensation Committee engaged Aon Consulting whom we refer to as the “Compensation Consultant” to assist in its and the Board’s assessment of the competitiveness of our executive compensation practices. Pursuant to their engagement, they complete a competitive market analysis of total direct compensation for top executives and other key employees and make recommendations to management and the Compensation Committee regarding executive and key employee compensation. In addition, they assist in the design of annual incentive and new long-term incentive plans for KeyW executives and employees. See “Components of Executive Compensation” below, for further discussion of our annual incentive and long-term incentive plans. They perform the work under the direction and authority of the Compensation Committee, with input from the Board and management.

The Compensation Committee considered the six independence factors required under the NASDAQ standards as they apply to its Compensation Consultant. The Compensation Committee evaluated the Compensation Consultant’s provision of other services to the Company; the amount of fees the Compensation Consultant received from the Company as a percentage of the total revenue of the Compensation Consultant; the policies and procedures in place at the Compensation Consultant designed to prevent conflicts of interest; business and personal relationships between the Compensation Consultant and members of the Compensation Committee; Company stock owned by the Compensation Consultant; and, business and personal relationships between the Compensation Consultant and executive officers of the Company. The Compensation Committee found no issues and that the Compensation Consultant satisfied such independence standards.

Peer Group. The Compensation Committee and Company have historically used to two peer groups to provide market intelligence on executive compensation levels and practices. The Direct Peer Group, which is used to evaluate pay levels, is comprised of companies that are similar in industries as KeyW and comparable in size. The Indirect Peer Group, which is only used to evaluate pay practices, is comprised of companies that are similar to KeyW in terms of industry and represent competitors for executive talent and customers.

In 2018, the Compensation Committee commissioned the Compensation Consultant to assess the appropriateness of the Direct and Indirect Peer Groups used to evaluate executive compensation levels and practices. The Compensation Consultant analyzed the current composition of the peer groups based on the following factors: (i) industry, with a particular emphasis on aerospace and defense and systems software companies to align with KeyW's business and customers served, (ii) size, as measured by revenues, EBITDA, and market capitalization, (iii) short-term and long-term performance, (iv) competitors for executive talent and customers, and (v) companies viewed as comparable to KeyW by the external market (e.g., investors, analysts). Based on the Compensation Consultant's analysis, the Committee determined it was appropriate to make changes to the Direct and Indirect Peer Groups. The Direct and Indirect Peer Groups that were used to assess pay levels and pay practices are summarized below. The Committee believes that these updated peer groups are an appropriate group of comparators for KeyW.

Direct Peer Group – Used to Assess Pay Levels and Pay Practices

AeroVironment, Inc.	Astronics Corporation	Cubic Corporation ⁽¹⁾
Ducommun Incorporated	ICF International, Inc.	Imperva, Inc. ⁽¹⁾
Kratos Defense & Security Solutions, Inc.	Mercury Systems, Inc.	NetScout Systems, Inc. ⁽¹⁾
OneSpan Inc.	Proofpoint, Inc.	Qualys, Inc. ⁽¹⁾
Sparton Corporation ⁽¹⁾	Tyler Technologies, Inc.	Vectrus, Inc. ⁽¹⁾
Verint Systems Inc.		

Indirect Peer Group – Used to Assess Pay Practices

Booz Allen Hamilton Holding Corporation	CACI International Inc	Engility Holdings, Inc.
Harris Corporation ⁽¹⁾	Leidos Holdings, Inc.	ManTech International Corporation
MAXIMUS, Inc. ⁽¹⁾	Science Applications International Corporation ⁽¹⁾	Unisys Corporation ⁽¹⁾

(1) Represents a new peer company effective for 2018.

Components of Executive Compensation

The chart below lists and describes the elements currently included in our executive compensation program and summarizes our purpose in providing each such element.

Compensation Component	Description	Purpose	Fixed or Performance-Based
Base Salary	Base compensation for performing core responsibilities and contributions to the Company.	Provide non-variable source of income based primarily on scope of responsibility and years of experience and individual performance.	Fixed
Annual Incentives	Annual cash incentive opportunities are provided for under the KeyW Annual Incentive Plan and are expressed as a percentage of base salary. Threshold, target, and maximum incentive opportunities are established for executive officers based on corporate goals.	Ensure focus on specific annual goals, provide annual performance-based cash compensation, and motivate achievement of critical short-term performance metrics.	Performance-Based
Long-Term Incentives	Equity grants provided under our equity incentive plans to all executives and select employees. Equity award types provided for include Restricted Stock, Restricted Stock Units and Long-Term Incentive Shares.	Drive long-term performance in metrics tied to shareholder value creation, align the interests of executives with stockholders, provide for executive ownership of stock, attract, retain and motivate key talent, promote retention and reward long-term growth of the business.	Performance-Based
Discretionary Awards	Discretionary awards of cash or equity.	Intended to be used sparingly and judiciously in limited circumstances, and to recognize exceptional contributions to KeyW's business by individual executives and employees and drive long-term stock price appreciation.	Performance-Based
Retirement, Health, & Welfare Benefits	Includes benefits such as: <ul style="list-style-type: none"> • Health, dental and vision insurance • Life and disability insurance • Paid Time Off and Holidays • Company 401(k) contributions • Employee Stock Purchase Plan 	These benefits are part of our broad-based total compensation program, available to all full-time and part-time employees working 30 or more hours per week of the Company.	Fixed

Base Salary

Base salary is intended to provide executives with a base level of regular income for performance of their essential duties and responsibilities. In general, base salaries for our NEOs are initially negotiated with the executive at the time the executive is hired and reviewed annually by our Compensation Committee and Board of Directors, with input from our Chief Executive Officer (other than with respect to himself). In determining base salaries, we consider the executive's qualifications and experience, salaries of executives in similar positions at comparable companies as described above under "Determination of Executive Compensation — Assessment of Competitive Practices," and internal comparisons of the relative compensation paid to members of our executive team. In 2018 the NEOs did not receive any base salary increases, except Mr. Luci, who received an increase from \$285,000 to \$320,000.

Annual Incentives

Effective January 2010, we adopted the KeyW Annual Incentive Plan (the "AIP"). In general, all of our employees are eligible to participate in the AIP, with our Chief Executive Officer retaining discretion to determine which employees (other than our NEOs) are included in the AIP on a year-to-year basis. Approval of the Compensation Committee is required with respect to the inclusion of any of our executive officers in the AIP. The AIP is intended to:

- Motivate eligible employees to achieve annual financial performance goals, other corporate goals and/or individual goals, depending on the level of seniority and responsibilities of the employee;
- Reward employees for achievement of financial, business unit, and individual performance targets that contribute to the creation of long-term stockholder value; and
 - Provide maximum flexibility to reward individual employee performance and innovation.

Under the AIP, annual incentive opportunities are established each year as a percentage of each eligible employee's base salary. For our Chief Executive Officer and other executive officers, performance goals and incentive opportunities are generally recommended by the Compensation Committee and determined by the Board of Directors in the first quarter of the fiscal year to which the award relates. For our Chief Executive Officer and other executive officers, annual incentive payments under the AIP are tied to company-wide financial performance targets. In establishing the AIP, the Compensation Committee and the Board of Directors determined that company-wide financial performance targets best gauge the performance of KeyW's senior management team in growing short- and long-term stockholder value and established the 2018 AIP to reflect that determination. The Compensation Committee retains discretion to alter AIP bonuses based on qualitative factors.

The AIP awards are paid in cash. The amount payable pursuant to each award is determined by the Compensation Committee based on achievement of the applicable performance targets. Under the AIP, the Compensation Committee has the discretion to decrease the amount of the payout to a NEO based on individual performance, subject to certain limitations.

For 2018, the Compensation Committee determined to set company-wide financial performance targets for our Chief Executive Officer and other executive officers based on the achievement of a combination of specified target revenue and specified target Adjusted EBITDA, measured after giving effect to payments to employees under the AIP, which we refer to as the 2018 financial target. (Please see **Annex A** to this Proxy Statement for an explanation of Adjusted EBITDA and a reconciliation to Net Income.) Revenue and Adjusted EBITDA were selected because they are the leading indicators of the Company's financial performance, and when used in tandem, motivate profitable growth. The Board determines revenue and Adjusted EBITDA growth rates and corresponding AIP target levels based on the federal procurement and budget environment, investor expectations, and contract activity. The levels are expected to be challenging but reachable. In particular, the Compensation Committee and the Board of Directors determined to weight KeyW achievement of the 2018 financial target 60% on the achievement of target revenue and 40% on the achievement of target Adjusted EBITDA.

AIP awards were paid to the NEOs in late March 2019 based on the achievement of 2018 financial targets at 102.3% of performance targets for our NEOs, and actual performance was as follows (in thousands):

Target Revenue	Target Adjusted EBITDA	Actual Performance Revenue	Actual Performance Adjusted EBITDA
\$ 506,700	\$ 46,900	\$ 506,800	\$ 49,600

KeyW met 102.3% of the weighted performance threshold, which resulted in a payment of 110% of the bonus target.

For our NEOs, actual revenue and Adjusted EBITDA performance were required to achieve a minimum level of 90% of the 2018 financial target for awards to be paid under the AIP. For employees that are not NEOs, actual revenue and Adjusted EBITDA performance were required to achieve a minimum level of 90% of the 2018 financial target (or in the case of non-executive leadership team employees for which other performance targets were established, 90% of such other performance target), depending on the particular employee's job, title and position. NEO performance goals and payouts attributable to the 2018 AIP are summarized below:

Payment Level/Percentage Achievement of 2018 Company Financial Target					
2018					
Name	Base Salary	Minimum/90%	Target/100%	Maximum/110%	Actual Payout
Bill Weber	\$ 450,000	\$ 225,000	\$ 450,000	\$ 675,000	\$ 495,000
Mike Alber	\$ 425,000	\$ 212,500	\$ 425,000	\$ 637,500	\$ 467,500
Kirk Herdman	\$ 330,000	\$ 82,500	\$ 165,000	\$ 247,500	\$ 181,500
Phil Luci	\$ 320,000	\$ 80,000	\$ 160,000	\$ 240,000	\$ 176,000
John Sutton	\$ 370,000	\$ 138,750	\$ 277,500	\$ 416,250	\$ 305,250

Our Compensation Committee determined that KeyW achieved 102.3% of the 2018 financial target under the plan. Therefore, the Compensation Committee approved the payment of bonuses under the AIP to NEOs Weber, Alber, Herdman, Luci and Sutton at an appropriate payment level for such NEO. See "Summary Compensation Table" and "Grants of Plan-Based Awards Table" herein.

AIP payouts for 2018 for our Chief Executive Officer and other executive officers were based on the extent to which actual revenue and Adjusted EBITDA performance (weighted as described above) met the 2018 financial target, based on a sliding scale of performance. For 2018, target annual incentive award opportunities were set as follows:

- Chief Executive Officer 100% of base salary
- Chief Financial Officer 100% of base salary
- Chief Operating Officer 75% of base salary
- Other Executive Officers 50% of base salary

The AIP is designed so that threshold performance results in a payout equal to 50% of target, target performance results in a payout equal to 100% of target, and maximum performance results in a payout equal to 150% of target. Performance below threshold results in no payout.

Long-Term Incentives

Overview. We believe that our executives should have a continuing stake in our long-term success. We believe that equity compensation is the best means of aligning the interests of our executives and employees to the interests of our stockholders and of incentivizing our executives and employees to contribute to the long-term growth of stockholder value as well as growth in key metrics such as revenue and Adjusted EBITDA. We require our executives to hold a significant equity interest in our Company. See also "Stock Ownership Guidelines" herein.

As part of the Board of Directors' and Compensation Committee's review of competitive compensation practices, the Board of Directors and Compensation Committee adopted a long-term incentive plan, or LTIP in 2010, which sets forth KeyW's long-term incentive compensation policy for its executive officers and other employees. The LTIP is designed to:

- attract, retain, and motivate key contributors to KeyW's profitability and growth;
- provide a clear connection between pay and performance;
- align employee and stockholder interests;
- share the benefits of appreciation in the value of KeyW's common stock with key contributors; and
- facilitate stock ownership by key contributors.

The LTIP sets forth the framework KeyW intends to use for the award of long-term incentive compensation, and contemplates that KeyW may award various types of equity-based awards under its equity plans on an annual basis, including nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance shares, performance stock units ("PSUs"), and other stock-based awards. The LTIP also contemplates awards linked to the value of our common stock but that are payable in cash. The type and mix of

equity-based compensation awards made under the LTIP may vary from year-to-year based on KeyW's compensation philosophy, employment needs, and business goals.

Under the LTIP, long-term incentive awards are to be awarded annually to eligible employees. To date, we have issued stock options, restricted stock, RSUs, PSUs and rights to receive Long-Term Incentive Shares under the LTIP. We expect LTIP awards to be made each year, with the size of the award based on a number of factors, including performance, potential, market data, internal equity, and historical granting practices, among other factors.

Annual LTIP Grants to NEOs Awarded in 2018. In late 2017 and early 2018, the Compensation Committee evaluated various approaches with respect to 2018 long-term incentive award grants, with a particular focus on enhancing the alignment between executive compensation and the Company's long-term performance. As part of the evaluation approach, the Committee reviewed data provided by the Compensation Consultant pertaining to leading market practices on long-term incentive vehicle usage and mix. The Committee also considered which approaches would align executive interests with shareholder interests, retain and motivate executives, and drive long-term financial performance. Based on the Committee's deliberations, the Committee determined that an appropriate mix of long-term incentives for NEOs was 60% PSUs and 40% RSUs. The Committee believes that this mix, which emphasizes performance-based awards over time-based awards, is aligned with KeyW's pay for performance philosophy.

Effective beginning in 2018, the Committee determined that PSUs would be earned based on the Company's 3-year performance (2018, 2019 and 2020) in the following metrics: revenue (60% weighting) and Adjusted EBITDA Margin (40% weighting). Based on the Company's performance in those two metrics, awards will be earned as follows: (i) below threshold performance – 0% of the target number of PSUs are earned, (ii) threshold performance – 50% of the target number of PSUs are earned, (iii) target performance – 100% of the target number of PSUs are earned, and (iv) maximum performance – 150% of the target number of PSUs are earned. At the end of the 3-year performance period, performance will be determined, and PSUs will be earned based on continuous service through the third anniversary of the date of grant (June 2021). Upon a change of control, unvested PSUs will vest in full at the target amount. Please see also section below entitled "Potential Payments Upon Termination or Change of Control".

RSUs awarded in 2018 cliff vest on the 3rd anniversary of the date of grant (June 2021).

Upon the approval by the stockholders on May 10, 2018 to increase the number of shares authorized under the Amended and Restated 2013 Stock Incentive Plan (the "2013 Plan"), in June 2018, we issued LTIP grants to our NEOs totaling 105,901 PSUs and 70,600 RSUs. The following awards were granted to our NEOs in 2018:

Named Executive Officer	Target Number of PSUs Granted in June 2018	Number of RSUs Granted in June 2018
Bill Weber	35,203	23,468
Mike Alber	24,935	16,623
Kirk Herdman	12,907	8,605
Phil Luci	11,147	7,432
John Sutton	21,709	14,472

In March 2019, to conform to the existing employment agreements in place with the CEO and CFO, the Compensation Committee approved amendments to the employment agreements for John Sutton, Phil Luci, and Kirk Herdman to provide that any outstanding equity awards to the executive, including Long-Term Incentive Shares (as defined in the employment agreements), shall vest immediately upon a change of control (as defined pursuant to the employment agreements). This change was made in order to create consistent motivation across the executive team and retain the other NEOs. Please see also sections titled "Employment Agreements" and "Potential Payments Upon Termination or Change of Control" below.

Discretionary Awards. Discretionary awards are intended to recognize exceptional contributions to KeyW's business by individual executives and employees. In May 2018, Mr. Luci was granted a discretionary award of 50,000 Long-Term Incentive Share Rights that is 100% performance-based and vests only upon the attainment of pre-established stock price hurdles. To determine the size of Mr. Luci's equity award, the Committee considered Mr. Luci's role and responsibilities, historical equity grants provided to Mr. Luci, the value of existing equity holdings,

performance, market data, and grants provided to other executive officers. See the section entitled “Employment Agreements” for additional details.

The target price and granting percentages for this award are summarized below, with additional detail provided in the section entitled “Employment Agreements”.

Target Price Per Share	Stock Granting Percentages	
\$ 13.00	12.5	%
\$ 16.00	12.5	%
\$ 20.00	25.0	%
\$ 25.00	25.0	%
\$ 30.00	25.0	%

Retirement, Health, & Welfare Benefits

We operate in a competitive market for highly skilled technical and management staff who also hold high-level security clearances. As a result, our benefits programs must be competitive with those of our competitors since employees in our industry typically look at the complete compensation program being offered, including retirement, health and welfare benefits. Our benefits programs are available to all of our full-time and part-time employees working 30 or more hours per week and include health, dental and vision insurance, life insurance, disability insurance, paid time off, company contributions under our 401(k) plan, and an employee stock purchase plan. We believe that it is important to maintain a competitive benefits program that complements our salary structure and confirms the commitment we have to maintaining a rewarding and enjoyable work environment.

Deferred Compensation Plans

The Nonqualified Plan of KeyW Corporation is designed to attract and retain a select group of management or highly compensated employees and to provide them an opportunity to defer compensation on a pre-tax basis and accumulate tax-deferred earnings to achieve their financial goals. The Nonqualified Plan of KeyW Corporation provides the following benefits:

- Opportunity to defer compensation in excess of qualified retirement plan limits on a pre-tax basis.
- Earnings accumulate tax-deferred.
- Systematic savings through payroll deduction.
- Various reference investment choices.
- Ability to tailor benefit distribution options to meet personal needs.

Employment Agreement Amendment

Mr. Luci received an annual base salary increase to \$320,000 pursuant to an amendment to his employment agreement dated June 1, 2018. This increase had an effective date of January 1, 2018.

On June 1, 2018, Mr. Luci received additional rights to receive up to 50,000 Long-Term Incentive Shares effective with the First Amendment to his employment agreement. If at any time prior to the 5th anniversary of June 1, 2018, the closing market price of KeyW common stock over any 30 consecutive trading days is at or greater than the Target Price Per Share set forth in the table below, the Company will award him Long-Term Incentive Shares in an amount equal to the sum of the number of shares listed next to the Target Price Per Share and the number of shares listed next to any lower Target Price Per Share. Mr. Luci shall be eligible for one or more additional grants with respect to the remaining Target Price Per Share that were not previously achieved or exceeded. In no event will he receive more than 50,000 Long-Term Incentive Shares. The granting and vesting of the Long-Term Incentive Shares will be contingent upon Mr. Luci's continued employment with the Company, subject to acceleration upon certain events.

Target Price Per Share	Long-Term Incentive Shares
\$ 13.00	6,250
\$ 16.00	6,250
\$ 20.00	12,500

\$ 25.00	12,500
\$ 30.00	12,500

The June 2018 Long-Term Incentive Share rights were grants out of the Company's 2013 Plan. See "Employment Agreements" below for more information about Mr. Luci's employment agreement.

Tax and Accounting Considerations

Section 162(m). Section 162(m) of the Internal Revenue Code places a limit of \$1 million on the amount we may deduct in any one year for compensation paid to a "covered employee". The Tax Cuts and Jobs Act of 2017 ("Tax Reform") expanded the group of covered employees to include (i) any employee of the taxpayer who served as the principal executive officer or the principal financial officer at any time during the taxable year, (ii) an employee whose compensation is required to be reported to shareholders under the Securities Exchange Act of 1934, as amended, by reason of such employee being among the three highest compensated officers (other than the principal executive officer and principal financial), or (iii) or such employee was a covered employee of the taxpayer (or any predecessor) for any preceding taxable year beginning after December 31, 2016. Prior to Tax Reform, compensation that was performance-based was exempt from the limitations of Section 162(m) of the Code. Following Tax Reform, Section 162(m) of the Code only exempts qualifying performance-based compensation with respect to taxable years beginning on or before December 31, 2017 and payable pursuant to a binding written agreement in effect on November 2, 2017. Effectively, Tax Reform eliminated the ability to rely on the "performance-based" exception under Section 162(m) of the Code with respect to new awards and compensation paid to our covered executive officers in excess of \$1 million will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017.

Despite the Compensation Committee's efforts to structure the executive team annual cash incentives and performance-based awards in a manner intended to be exempt from Section 162(m) and therefore not subject to its deduction limits, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, including the uncertain scope of the transition relief under the legislation repealing Section 162(m)'s exemption from the deduction limit, no assurance can be given that compensation intended to satisfy the requirements for exemption from Section 162(m) in fact will. Further, the Compensation Committee reserves the right to modify compensation that was initially intended to be exempt from Section 162(m) if it determines that such modifications are consistent with our business needs.

Despite the changes to Section 162(m) of the Code, the Committee and the Board believe that performance-based compensation rewards executive officers for the achievement of specific annual strategic goals and promotes sustainable growth as well as creates long-term stockholder value even though some compensation awards may result in non-deductible compensation expenses and will continue to grant performance-based awards. Therefore, the Committee and the Board may grant awards and approve compensation that may not be deductible for income tax purposes.

Sections 280G and 4999. Under Sections 280G and 4999 of the Code, a 20% excise tax may be levied on certain payments made to certain executives as a result of a change-of-control if such payments equal or exceed three times the executive's "base amount" (as defined under Section 280G). In structuring our executive compensation, we seek to minimize the potential tax consequences that could arise under Sections 280G and 4999 in the event of a change-of-control of KeyW.

Compensation Policies and Practices as they Relate to Risk Management

The Compensation Committee considers, in establishing and recommending KeyW's employee compensation policies and practices, whether the policy or practice encourages unnecessary or excessive risk taking. The Compensation Committee has concluded that any risks arising from KeyW's employee compensation policies and practices are not reasonably likely to have a material adverse effect on KeyW. Base salaries are fixed in amount and thus should not encourage unnecessary or excessive risk taking. While the AIP focuses executives on achievement of short-term or annual goals, and short-term goals may encourage the taking of short-term risks at the expense of long-term results, our AIP represents only a minority portion of each executive officer's total compensation opportunity. The Compensation Committee believes that the AIP appropriately balances risk and the desire to focus executives on specific short-term goals that we believe are important to our success. The Compensation Consultant conducted a risk assessment of the Company's compensation plans and did not identify any plan design features or practices that promote high-risk.

Going forward, we expect that a large percentage of the compensation provided to our NEOs and other key employees will be in the form of long-term incentive awards, which we believe are important to help further align our employees' interests with those of our stockholders. The Compensation Committee believes that these awards will not encourage

unnecessary or excessive risk-taking since the ultimate value of the awards is tied to our stock price, and subject to long-term vesting schedules, to help ensure that employees have significant vested interest in long-term stock price performance.

Stock Ownership Guidelines

We established a “Stock Ownership Guidelines” policy to align the financial interests of KeyW executives and Board members with those of our stockholders. The policy is applicable to all non-employee directors and executive positions identified below. Participants must have beneficial ownership, as defined under Rule 13d-3(d)(1) under the Exchange Act, of our common stock in accordance with the following schedule:

Leadership Position	Value in Share/Number of Shares/% of Ownership
Non-Employee Member of Board	25,000 shares
President and CEO	6x annual base salary
Executive Vice Presidents	3x annual base salary
Other Section 16 Filers	1x annual base salary

Participants may satisfy their ownership guidelines with one or more of the following forms of equity beneficial ownership: shares owned directly, shares owned indirectly (e.g., by spouse or trust), stock options and warrants (vested and/or exercisable within 60-days and in-the-money), or restricted stock.

Once a participant has achieved the requisite level of ownership, the guideline will be considered met going forward unless a participant sells shares and/or receives a salary adjustment, at which time compliance will be re-evaluated. Participants are prohibited from selling company stock until such officer is in compliance with his or her ownership requirement.

Compensation Committee Report

The Compensation Committee, which is composed solely of independent directors, assists the Board of Directors in fulfilling its responsibilities with regard to compensation matters, and is responsible under its charter for determining the compensation of KeyW's executive officers. The Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" section of this proxy statement with management, including our CEO, William J. Weber and our CFO, Michael J. Alber. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the "Compensation Discussion and Analysis" section be included in this proxy statement.

Compensation Committee

Arthur L. Money

William I. Campbell

Shephard W. Hill

Mark W. Sopp

Summary Compensation Table

The following table sets forth the aggregate compensation awarded to, earned by, or paid to our NEOs in the last three fiscal years.

Name and Principal Position	Year	Salary (\$) ⁽⁶⁾	Bonus (\$) ⁽⁶⁾	Stock Awards (\$) ^{(8) (9)}	Option Awards (\$) ⁽¹⁰⁾	Non-Equity Incentive Plan Compensation (\$) ⁽¹⁴⁾	All Other Compensation (\$) ⁽¹⁵⁾	Total (\$) ⁽¹¹⁾
Bill Weber ⁽¹⁾ President and CEO	2018	450,008	—	533,906	—	495,009	33,869	1,512,792
	2017	450,008	—	97,875	—	220,000	30,680	798,563
	2016	450,008	—	—	—	405,000	41,792	896,800
Mike Alber ⁽²⁾ CFO	2018	425,006	—	378,178	—	467,507	28,564	1,299,255
	2017	425,006	—	69,329	—	205,000	38,268	737,603
	2016	228,849	—	2,085,000 ⁽¹⁰⁾	—	223,125	26,374	2,563,348
Kirk Herdman ⁽³⁾ EVP, Corporate Strategy and Business Development	2018	331,655	162,000 ⁽⁷⁾	195,759	—	181,507	25,975	896,896
	2017	249,231	—	647,060 ⁽¹¹⁾	—	74,250	7,023	977,564
Phil Luci ⁽⁴⁾ EVP, General Counsel and Corporate Secretary	2018	318,662	—	415,069 ⁽¹²⁾	—	176,004	37,635	947,370
	2017	272,501	—	30,994	—	85,500	41,568	430,563
John Sutton ⁽⁵⁾ COO	2018	370,011	—	329,247	—	305,259	28,563	1,033,080
	2017	227,699	—	931,106 ⁽¹³⁾	—	111,555	18,018	1,288,378

⁽¹⁾ Mr. Weber was appointed to the roles of President and CEO effective October 1, 2015.

⁽²⁾ Mr. Alber was appointed to the roles of CFO and EVP effective June 13, 2016.

⁽³⁾ Mr. Herdman joined the Company on April 5, 2017 as a result of the Sotera acquisition. He was promoted to EVP, Business Development and Strategy effective September 15, 2017 and was not a NEO in fiscal year 2016 or 2015.

⁽⁴⁾ Mr. Luci was promoted to EVP, General Counsel and Corporate Secretary effective May 10, 2017 and was not a NEO in fiscal year 2016 or 2015.

⁽⁵⁾ Mr. Sutton was appointed to the roles COO and EVP effective May 15, 2017.

⁽⁶⁾ Reflects actual pay, which may differ from base pay due to salary increase processed after the year begins, joining the Company after January 1st, rounding or abnormal number of pay periods in the year.

⁽⁷⁾ Mr. Herdman received this retention bonus pursuant to his Employment Agreement in April 2018.

⁽⁸⁾ Except for the December 2017 PSUs and the eligible long-term incentive shares granted to NEOs Alber, Herdman, Luci and Sutton, amounts reported in this column reflect the aggregate grant date fair value as calculated under FASB ASC Topic 718. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited financial statements and notes thereto, which are included in the Company’s Form 10-K for the fiscal year ended December 31, 2018 for a description of the assumptions used in making these calculations.

For further information regarding the equity grants to NEOs, please see “Compensation Discussion and Analysis – Long-Term Incentives” above and “Grants of Plan Based Awards Table” below.

The June 2018 PSUs, vest three years from the grant date based on continuous service and the stock will be issued at the end of the three-year period based upon the achievement of performance criteria over a three-year period, with the number of shares ultimately awarded, if any, ranging up to 150% of the specified target units. If performance is below the threshold level of performance criteria, no shares will be issued. The expense for these units will be recognized over the requisite service period of three years. For purposes of measuring compensation expense for these performance-based units, the number of shares ultimately expected to vest is estimated at each reporting date based on management’s expectations regarding the relevant performance criteria.

The table below sets forth the grant date fair value for PRSUs awarded in fiscal 2018

Name	Probable Outcome of Performance		Maximum Outcome of Performance	
	Conditions	Grant Date Fair Value (\$)	Conditions	Grant Date Fair Value (\$)
Bill Weber	\$	320,347	\$	480,525
Mike Alber	\$	226,908	\$	340,367
Kirk Herdman	\$	117,454	\$	176,185
Phil Luci	\$	101,438	\$	152,161
John Sutton	\$	197,552	\$	296,332

The December 2017 PSUs vest based on the achievement of a 20-day average target stock price of \$10.25 ("stock price hurdle") at any time during the three-year period beginning on the grant date, upon attainment of the stock price hurdle at any time during the 30-month period beginning on the grant date. Upon achievement of the stock price hurdle, NEOs will then be awarded restricted stock that will vest three years from the PSU grant date. If the stock price hurdle is achieved within the last six months of the three-year period, the NEOs will then be awarded restricted stock that will vest one year from the last day upon which the 20-day average is achieved. The Company measured the fair value of the PSUs using a Monte Carlo simulation approach with the following assumptions: risk-free interest rate of 1.98%, expected volatility of 60.16% and dividend yield of 0%. The grant-date fair value of these PSUs is \$4.14 per share. The expense for these PSUS will be recognized over the requisite service period of 3 years. For further information regarding the equity grants to NEOs, please see “Compensation Discussion and Analysis – Long-Term Incentives” above and “Grants of Plan Based Awards Table” below.

Equity awards granted to our NEOs in 2016, 2017 and 2018 were issued under our 2013 Plan except for shares issued to NEOs Alber, Herdman and Sutton; see Notes 10,11 and below. See “Executive Compensation — Equity Incentive Plans” for a description of our 2013 Plan. For further information regarding the equity grants to NEOs, please see “Compensation Discussion and Analysis – Long-Term Incentives” above and “Grants of Plan Based Awards Table” below.

In 2016, CFO Alber was granted the right to receive up to 375,000 shares of our common stock as a long-term incentive inducement, which was granted outside the 2013 Plan, in accordance with NASDAQ Listing Rule 5635(c)(4). We measured the fair value of CFO Alber's Long-Term Incentive Share rights using a Monte Carlo simulation approach with the following assumptions: risk-free interest rate of 1.01%, weighted-average derived service period of 4.2 years, expected volatility of 59.5% and dividend yield of 0%. The weighted-average grant-date fair value of this grant is \$5.56 per share. The expense for the right to receive this grant will be recognized over the derived service period of each individual tranche.

In 2017, EVP Herdman was granted the right to receive up to 50,000 shares of our common stock as a long-term incentive inducement, which was granted outside the 2013 Plan, in accordance with NASDAQ Listing Rule 5635(c)(4). We measured the fair value of EVP Herdman's 50,000 Long-Term Incentive Share rights using a Monte Carlo simulation approach with the following assumptions: risk-free interest rate of 1.85%, weighted-average derived service period of 2.6 years, expected volatility of 51.9% and dividend yield of 0%. The weighted-average grant-date fair value of this grant is \$4.33 per share. The expense for the right to receive this grant will be recognized over the derived service period of each individual tranche.

(11) In 2017, EVP Herdman also was granted the right to receive up to 100,000 shares of our common stock as a long-term incentive inducement, which was granted under the 2013 Plan. We measured the fair value of EVP Herdman's 100,000 Long-Term Incentive Share rights using a Monte Carlo simulation approach with the following assumptions: risk-free interest rate of 1.95%, weighted-average derived service period of 2.7 years, expected volatility of 52.3% and dividend yield of 0%. The weighted-average grant-date fair value of this grant is \$3.47 per share. The expense for the right to receive this grant will be recognized over the derived service period of each individual tranche.

In 2018, EVP Luci was granted the right to receive up to 50,000 shares of our common stock as a long-term incentive, which was granted under the 2013 Plan. We measured the fair value of EVP Luci's Long-Term Incentive Share rights using a Monte Carlo simulation approach with the following assumptions: risk-free interest rate ranging between 2.49% and 2.74%, weighted-average derived service period of 2.4 years, expected volatility of 55% and dividend yield of 0%. The weighted-average grant-date fair value of this grant is \$4.92 per share. The expense for the right to receive this grant will be recognized over the derived service period of each individual tranche.

(13) In 2017, COO Sutton was granted the right to receive up to 200,000 shares of our common stock as a long-term incentive inducement, which was granted outside the 2013 Plan, in accordance with NASDAQ Listing Rule 5635(c)(4). We measured the fair value of EVP Sutton's Long-Term Incentive Share rights using a Monte Carlo simulation approach with the following assumptions: risk-free interest rate of 1.89%, weighted-average derived service period of 2.5 years, expected volatility of 51.8% and dividend yield of 0%. The weighted-average grant-date fair value of this grant is \$4.35 per share. The expense for the right to receive this grant will be recognized over the derived service period of each individual tranche.

(14) AIP awards were paid in late March 2019 based on 2018 Performance. The Company met 102.3% of the weighted performance threshold which resulted in a payment of 110% of the bonus target. See “Compensation Discussion and Analysis - Components of Executive Compensation – Annual Incentives” and the table titled “Payment Level/Percentage Achievement of 2018 Company Financial Target” thereunder, above. On April 6, 2018, AIP awards were paid based on 2017 performance, except that certain portions of the AIP awards to CEO Weber and CFO Alber were paid on August 10, 2018 upon determination of the Compensation Committee of satisfactory

progress towards remediation of material weaknesses in internal controls. The Company met 91.5% of the weighted performance threshold which resulted in a payment of 60% of the bonus target. On February 3, 2017 AIP awards were paid based on 2016 performance. The Government Solutions segment met 99.25% of the weighted performance threshold which resulted in a payment of 90% of the bonus target.

Represents KeyW matching contributions under our 401(k), employee stock purchase plan discounts, paid time off (PTO) payouts of amounts over the accrual limits for 2016 and 2017, premiums paid by KeyW for health, dental, (15) vision, life and disability insurance, as well as an expense allowance to cover miscellaneous non-travel business expenses. None of the perquisites and personal benefits included in the “All Other Compensation” column above for any of our NEOs exceeds the greater of \$25,000 or 10% of the total amount of benefits for that NEO.

Grants of Plan-Based Awards Table

The following table sets forth the incentive plan awards made to the NEOs during fiscal year 2018.

Name	Grant Date	Date of Compensation Committee Action	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All other stock awards or options	All other stock awards or options	Grant date exercise price	Fair value of stock and option awards ⁽³⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)	Number of shares of common stock or options (#)	Number of shares of common stock or options (#)		
Bill Weber			225,000	450,000	675,000							
	6/4/18	5/9/18				—	23,468	—				213,559
	6/4/18	5/9/18				17,601	35,203	52,804				320,347
Mike Alber			212,500	425,000	637,500							
	6/4/18	5/9/18				—	16,623	—				151,269
	6/4/18	5/9/18				12,468	24,935	37,403				226,909
Kirk Herdman			82,500	165,000	247,500							
	6/4/18	5/9/18				—	8,605	—				78,305
	6/4/18	5/9/18				6,454	12,907	19,362				117,454
Phil Luci ⁽⁴⁾			80,000	160,000	240,000							
	6/1/18	5/10/18				6,250	—	43,750				246,000
	6/4/18	5/9/18				—	7,432	—				67,631
	6/4/18	5/9/18				5,574	11,147	16,721				101,438
John Sutton			138,750	277,500	416,250							
	6/4/18	5/9/18				—	14,472	—				131,695
	6/4/18	5/9/18				10,854	21,709	32,563				197,552

(1) Amounts in these columns show the range of payouts that were possible under the Company's AIP based on performance during 2018, as described in the "Compensation Discussion and Analysis – Annual Incentives" section above. The actual bonus amounts that were paid in 2019 based on 2018 performance are shown in the Summary Compensation table above in the column titled "Non-Equity Incentive Plan Compensation."

(2) Amounts in the "Threshold (#)" and "Maximum (#)" columns show the threshold and maximum number of shares that may be issued pursuant to the Long-Term Incentive Share rights granted to NEO Luci on June 1, 2018, as described in the "Compensation Discussion and Analysis – Long-Term Incentives" section above.

Amounts in the "Target (#)" column show the maximum number of shares that may vest pursuant to the RSU awards granted to the NEOs on June 4, 2018, as described in the "Compensation Discussion and Analysis – Long-Term Incentives" section above.

Amounts in the "Threshold (#), Target (#) and Maximum (#)" columns show the number of shares that may be achieved pursuant to the PSU awards granted to the NEOs on June 4, 2018, as described in the "Compensation Discussion and Analysis – Long-Term Incentives" section above.

(3) We measured the fair value of EVP Luci's Long-Term Incentive Share rights granted on June 1, 2018, using a Monte Carlo simulation approach. The remaining stock awards reflect the aggregate grant date fair value as calculated under FASB ASC Topic 718. See the Summary Compensation Table above for more information regarding assumptions and grant date fair values.

(4) Mr. Luci became eligible to receive the right to Long-Term Incentive Shares on June 1, 2018, in accordance with an amendment to his employment agreement. See the description of Mr. Luci's employment agreement for a summary of the Long-Term Incentive Share rights in the "Compensation Discussion and Analysis – Long-Term Incentives" section above.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth the equity awards outstanding as of the end of fiscal year 2018 held by each NEO.

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards:		Equity Incentive Plan Awards:	
	Number of Securities Underlying Unexercised Options That Have Not Expired	Number of Securities Underlying Exercised Options	Number of Securities Underlying Unexercised Options That Have Not Expired	Exercise Price	Expiration Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested (\$)		Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**		Number of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
Bill Weber	—	—	—			23,468 ⁽²⁾	157,001		35,203	(5)	235,508	
						13,500 ⁽³⁾	90,315		4,500	(6)	30,105	
						25,000 ⁽⁴⁾	167,250		50,000	(7)	334,500	
Mike Alber	—	—	—			16,623 ⁽²⁾	111,208		24,935	(5)	166,815	
						9,563 ⁽³⁾	63,976		3,187	(6)	21,321	
									46,875	(8)	313,594	
Kirk Herdman	—	—	—			8,605 ⁽²⁾	57,567		12,907	(5)	86,348	
						4,860 ⁽³⁾	32,513		1,620	(6)	10,838	
									6,250	(9)	41,813	
									12,500	(10)	83,625	
Phil Luci	9,000	—	—	7.41	02/07/2022 ⁽¹⁾	7,432 ⁽²⁾	49,720		11,147	(5)	74,573	
						4,275 ⁽³⁾	28,600		1,425	(6)	9,533	
									6,250	(11)	41,813	
									6,250	(12)	41,813	
John Sutton	—	—	—			14,472 ⁽²⁾	96,818		21,709	(5)	145,233	
						8,325 ⁽³⁾	55,694		2,775	(6)	18,565	
									25,000	(13)	167,250	

* Market value for this purpose is determined based on the number of shares outstanding multiplied by our closing stock price of \$6.69 on December 31, 2018, less any award price per share.

** Computed based on achieving the applicable threshold level of performance described under “Executive Compensation.”

Vesting Schedule for Outstanding Stock Options and Unvested Restricted Stock

Note	Grant Date	Incremental Vesting Dates
(1)	02/08/12	50% on 2/8/13 based on performance achievements being met; 25% on 2/8/14 and 25% on 2/8/15
(2)	06/04/18	Full vesting on 6/4/2021
(3)	12/20/17	Full vesting on 12/20/20
(4)	10/07/15	50% on 10/1/16; 25% on 10/1/18; 25% on 10/1/19; vesting is based on the commencement date of his employment per his employment agreement
(5)	06/04/18	<p>The units vest three years from the grant date based on continuous service and the stock will be issued at the end of the three-year period based upon the achievement of performance criteria over a three-year period (2018, 2019 and 2020), with the number of shares ultimately awarded, if any, ranging up to 150% of the specified target units. If performance is below the threshold level of performance criteria, no shares will be issued.</p>
(6)	12/20/17	<p>The units vest based on the achievement of a 20-day average target stock price of \$10.25 ("stock price hurdle") at any time during the three-year period beginning on the grant date, upon attainment of the stock price hurdle at any time during the twenty-four month period beginning on the grant date. Upon achievement of the stock price hurdle, NEOs will then be awarded restricted stock that will vest three years from the PSU grant date. If the stock price hurdle is achieved within the last six months of the three-year period, the NEOs will then be awarded restricted stock that will vest one year from the last day upon which the stock price hurdle is achieved.</p>
(7)	10/01/15	Mr. Weber has the right to receive Long-Term Incentive Shares. See the description of Mr. Weber's employment agreement for additional details.
(8)	06/13/16	Mr. Alber has the right to receive Long-Term Incentive Shares. See the description of Mr. Alber's employment agreement for additional details.
(9)	04/05/17	Mr. Herdman has the right to receive Long-Term Incentive Shares. See the description of Mr. Herdman's employment agreement for additional details.
(10)	10/10/17	Mr. Herdman has the right to receive Long-Term Incentive Shares. See the description of Mr. Herdman's employment agreement for additional details.
(11)	08/24/16	Mr. Luci has the right to receive Long-Term Incentive Shares. See the description of Mr. Luci's employment agreement for additional details.
(12)	06/01/18	Mr. Luci has the right to receive Long-Term Incentive Shares. See the description of Mr. Luci's employment agreement for additional details.
(13)	05/15/17	Mr. Sutton has the right to receive Long-Term Incentive Shares. See the description of Mr. Sutton's employment agreement for additional details.

Option Exercises and Stock Vested at Fiscal Year End

The following table shows the number of shares acquired by each of the NEOs during 2018 through stock option exercises and vesting of restricted stock awards.

Name	Option Awards		Stock Awards		
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)	
Bill Weber	—	—	25,000	221,000	(1)
Mike Alber	—	—	—	—	
Kirk Herdman	—	—	5,000	37,350	(2)
Phil Luci	—	—	5,000	39,300	(3)
			7,600	64,676	(4)
John Sutton	—	—	—	—	

(1) Market value for this purpose is determined based on the number of shares vested multiplied by our closing stock price of \$8.84 on October 1, 2018 (vesting date).

(2) Market value for this purpose is determined based on the number of shares vested multiplied by our closing stock price of \$7.47 on May 1, 2018 (vesting date).

(3) Market value for this purpose is determined based on the number of shares vested multiplied by our closing stock price of \$7.86 on March 30, 2018 (vesting date of April 1, 2018).

(4) Market value for this purpose is determined based on the number of shares vested multiplied by our closing stock price of \$8.51 on August 31, 2018 (vesting date of September 1, 2018).

Nonqualified Deferred Compensation at Fiscal Year End

The following table shows the contributions, earnings and account balances as of December 31, 2018, for NEOs under The Nonqualified Plan of KeyW Corporation.

Name	Plan	Executive Contributions in Last Fiscal Year (\$)	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals in Last Fiscal Year (\$)	Aggregate Balance at Last Fiscal Year-End (\$) ⁽¹⁾
Bill Weber	_____					
Mike Alber	_____					
Kirk Herdman	The Nonqualified Plan of KeyW Corporation	18,562.50	(2)	—	(3,565.50)	—
Phil Luci	_____					65,824.64 (3)

John Sutton _____

- (1) Mr. Herdman's balance from The Executive NQ Excess Plan of Sotera Defense Solutions, Inc.- Retirement Account was rolled into the KeyW Plan.
- (2) This amount is included in the salary amount for 2018 in the Summary Compensation Table above.
- (3) None of this amount is included in the salary amount for 2017 in the Summary Compensation Table above. Mr. Herdman did not make any contributions in 2017.

Employment Agreements

Bill Weber. On August 25, 2015, the Company appointed William J. ("Bill") Weber as President and Chief Executive Officer, effective October 1, 2015. In connection with Mr. Weber's appointment, KeyW entered into an employment agreement, dated August 25, 2015, with Mr. Weber. In 2018, Mr. Weber annual salary was \$450,000 and is eligible to participate in the Company's AIP, both of which may be adjusted by the Board of Directors of the Company from time to time. Other benefits currently provided to Mr. Weber include personal time off, health insurance, officers and directors liability insurance and other standard company benefits. Mr. Weber received 100,000 shares of restricted stock as a sign-on inducement. The shares vested or will vest as follows: 50,000 shares on October 1, 2016, 25,000 shares on October 1, 2018 and 25,000 shares on October 1, 2019.

Mr. Weber is also eligible for Long-Term Incentive Shares, issuable outside the 2013 Plan. If at any time prior to the 5th anniversary of October 1, 2015, the closing market price of KeyW common stock over any 30 consecutive trading days is at or greater than the Target Price Per Share set forth in the table below, the Company will award him Long-Term Incentive Shares in an amount equal to the sum of the number of shares listed next to the Target Price Per Share and the number of shares listed next to any lower Target Price Per Share. Mr. Weber shall be eligible for one or more additional grants with respect to the remaining Target Price Per Share that were not previously achieved or exceeded. In no event will he receive more than 400,000 Long-Term Incentive Shares. These Long-Term Incentive Shares will be subject to a two-year holding period following the date of issuance.

Target Price Per Share	Long-Term Incentive Shares
\$ 13.00	50,000
\$ 16.00	50,000
\$ 20.00	100,000
\$ 25.00	100,000
\$ 30.00	100,000

If Mr. Weber's employment is terminated without cause, for disability or if he terminates his employment for good reason (each as defined in the employment agreement), Mr. Weber will be entitled to (i) severance of two times his then current base salary plus the product of his then current base salary multiplied by a fraction, the numerator of which is the number of days that have elapsed between the first day of such calendar year and the termination date and the denominator of which is 365, such payments payable in equal installments over the period of one (1) year provided that he signs and does not revoke a general release of claims against the Company and its affiliates; (ii) certain unpaid and/or pro-rated bonuses and incentive plan payments; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or two (2) years following the termination date.

The employment agreement also provides that if within one (1) year following a change of control (as defined in the employment agreement), Mr. Weber's employment is terminated without cause or if he terminates his employment for good reason (as defined in the employment agreement), then Mr. Weber will be entitled to receive (i) his then current base salary for a period of two (2) years, payable in equal installments and in accordance with the Company's normal payroll practices, (ii) an amount equal to the maximum AIP bonus available to Mr. Weber for the year in which the termination occurs; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or two (2) years following the termination date. The employment agreement also contains non-solicitation and non-competition restrictions that extend for a one (1) year period following termination of Mr. Weber's employment, as well as customary confidentiality restrictions.

Mike Alber. On May 23, 2016, the Company appointed Michael J. ("Mike") Alber as Chief Financial Officer and Executive Vice President, effective June 13, 2016. In connection with Mr. Alber's appointment, KeyW entered into an employment agreement, dated May 23, 2016, with Mr. Alber. Currently, Mr. Alber receives an annual salary of \$425,000 and is eligible to participate in the Company's AIP, both of which may be adjusted by the Board of Directors of the Company from time to time. Other benefits currently provided to Mr. Alber include personal time off, health

insurance, officers and directors liability insurance and other standard company benefits.

Mr. Alber is also eligible for Long-Term Incentive Shares, issuable outside the 2013 Plan. If at any time prior to the 5th anniversary of June 13, 2016, the closing market price of KeyW common stock over any 30 consecutive trading days is at or greater than the Target Price Per Share set forth in the table below, the Company will award him Long-Term Incentive Shares in an amount equal to the sum of the number of shares listed next to the Target Price Per Share and the number of shares listed next to any lower Target Price Per Share. Mr. Alber shall be eligible for one or more additional grants with respect to the remaining Target Price Per Share that were not previously achieved or exceeded. In no event will he receive more than 375,000 Long-Term Incentive Shares. These Long-Term Incentive Shares will be subject to a two-year holding period following the date of issuance.

Target Price Per Share	Long-Term Incentive Shares
\$ 13.00	46,875
\$ 16.00	46,875
\$ 20.00	93,750
\$ 25.00	93,750
\$ 30.00	93,750

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If Mr. Alber's employment is terminated without cause, for disability or if he terminates his employment for good reason (each as defined in the employment agreement), Mr. Alber will be entitled to (i) severance of one and a half times his then current base salary plus the product of his then current base salary multiplied by a fraction, the numerator of which is the number of days that have elapsed between the first day of such calendar year and the termination date and the denominator of which is 365, such payments payable in equal installments over the period of eighteen (18) months provided that he signs and does not revoke a general release of the Company and its affiliates; (ii) certain unpaid and/or pro-rated bonuses and incentive plan payments; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or eighteen (18) months following the termination date.

The employment agreement also provides that if within one (1) year following a change of control (as defined in the employment agreement), Mr. Alber's employment is terminated without cause or if he terminates his employment for good reason (as defined in the employment agreement), then Mr. Alber will be entitled to receive (i) his then current base salary for a period of eighteen (18) months, payable in equal installments and in accordance with the Company's normal payroll practices; (ii) an amount equal to the maximum AIP bonus available to Mr. Alber for the year in which the termination occurs; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or eighteen (18) months following the termination date. The agreement also contains non-solicitation and non-competition restrictions that extend for a one (1) year period following termination of Mr. Alber's employment, as well as customary confidentiality restrictions.

Kirk Herdman. On April 4, 2017, the Company appointed Kirk Herdman Senior Vice President, Business Development. In connection with Mr. Herdman's appointment, KeyW entered into an employment agreement, dated April 4, 2017, with Mr. Herdman. Thereafter, on October 10, 2017, KeyW and Mr. Herdman entered into an amendment to the employment agreement, providing for a promotion of Mr. Herdman to Executive Vice President, Corporate Strategy and Business Development. Currently, Mr. Herdman receives an annual salary of \$330,000 and is eligible to participate in the Company's AIP, both of which may be adjusted by the Board of Directors of the Company from time to time. Other benefits currently provided to Mr. Alber include personal time off, health insurance, officers and directors liability insurance and other standard company benefits.

Mr. Herdman is also eligible for Long-Term Incentive Shares, of which, 50,000 are issuable outside the 2013 Plan as inducement shares under NASDAQ Listing Rule 5635(c)(4) and 100,000 are issuable under the 2013 Plan. If at any time prior to the 5th anniversary of April 4, 2017 (with respect to his rights to receive 50,000 shares) and October 10, 2017 (with respect to his rights to receive 100,000 shares), the closing market price of KeyW common stock over any 30 consecutive trading days is at or greater than the Target Price Per Share set forth in the table below, the Company will award him Long-Term Incentive Shares in an amount equal to the sum of the number of shares listed next to the Target Price Per Share and the number of shares listed next to any lower Target Price Per Share. Mr. Herdman shall be eligible for one or more additional grants with respect to the remaining Target Price Per Share that were not previously achieved or exceeded. In no event will he receive more than 150,000 Long-Term Incentive Shares.

Target Price Per Share	Long-Term Incentive Shares
\$ 13.00	18,750
\$ 16.00	18,750
\$ 20.00	37,500
\$ 25.00	37,500
\$ 30.00	37,500

If Mr. Herdman's employment is terminated without cause, for disability or if he terminates his employment for good reason (each as defined in the employment agreement), Mr. Herdman will be entitled to (i) severance of one times his then current base salary plus the product of his then current base salary multiplied by a fraction, the numerator of which is the number of days that have elapsed between the first day of such calendar year and the termination date and the denominator of which is 365, such payments payable in equal installments over the period of twelve (12) months provided that he signs and does not revoke a general release of the Company and its affiliates; (ii) certain unpaid and/or pro-rated bonuses and incentive plan payments; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or twelve (12) months following the termination date.

The employment agreement also provides that if within one (1) year following a change of control (as defined in the employment agreement), Mr. Herdman's employment is terminated without cause or if he terminates his employment for good reason (as defined in the employment agreement), then Mr. Herdman will be entitled to receive (i) his then current base salary for a period of twelve (12) months, payable in equal installments and in accordance with the Company's normal payroll practices; (ii) an amount equal to the maximum AIP bonus available to Mr. Herdman for the year in which the termination occurs; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or twelve (12) months following the termination date. The agreement also contains non-solicitation and non-competition restrictions that extend for a one (1) year period following termination of Mr. Herdman's employment, as well as customary confidentiality restrictions.

Phil Luci. On August 24, 2016, KeyW entered into an employment agreement with Mr. Luci. Thereafter, on May 10, 2017, the Company appointed Philip Luci, Jr., Executive Vice President, General Counsel and Corporate Secretary. On June 1, 2018, KeyW and Mr. Luci entered into an amendment to the employment agreement in which his annual salary was increased and he received additional Long-Term Incentive Shares. Currently, Mr. Luci receives an annual salary of \$320,000 and is eligible to participate in the Company's AIP, both of which may be adjusted by the Board of Directors of the Company from time to time. Other benefits currently provided to Mr. Luci include personal time off, health insurance, officers and directors liability insurance and other standard company benefits.

Mr. Luci is also eligible for 100,000 Long-Term Incentive Shares, issuable under the 2013 Plan. If at any time prior to the 5th anniversary of August 24, 2016 (with respect to his rights to receive 50,000 shares) and June 1, 2018 (with respect to his rights to receive 50,000 shares), the closing market price of KeyW common stock over any 30 consecutive trading days is at or greater than the Target Price Per Share set forth in the table below, the Company will award him Long-Term Incentive Shares in an amount equal to the sum of the number of shares listed next to the Target Price Per Share and the number of shares listed next to any lower Target Price Per Share. Mr. Luci shall be eligible for one or more additional grants with respect to the remaining Target Price Per Share that were not previously achieved or exceeded. In no event will he receive more than 100,000 Long-Term Incentive Shares. These Long-Term Incentive Shares will be subject to a two-year holding period following the date of issuance.

Target Price Per Share	Long-Term Incentive Shares
\$ 13.00	12,500
\$ 16.00	12,500
\$ 20.00	25,000
\$ 25.00	25,000
\$ 30.00	25,000

If Mr. Luci's employment is terminated without cause, for disability or if he terminates his employment for good reason (each as defined in the employment agreement), Mr. Luci will be entitled to (i) severance of one times his then current base salary plus the product of his then current base salary multiplied by a fraction, the numerator of which is the number of days that have elapsed between the first day of such calendar year and the termination date and the denominator of which is 365, such payments payable in equal installments over the period of twelve (12) months

provided that he signs and does not revoke a general release of the Company and its affiliates; (ii) certain unpaid and/or pro-rated bonuses and incentive plan payments; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or twelve (12) months following the termination date.

The employment agreement also provides that if within one (1) year following a change of control (as defined in the employment agreement), Mr. Luci's employment is terminated without cause or if he terminates his employment for good reason (as defined in the employment agreement), then Mr. Luci will be entitled to receive (i) his then current base salary for a period of twelve (12) months, payable in equal installments and in accordance with the Company's normal payroll practices; (ii) an amount equal to the maximum AIP bonus available to Mr. Luci for the year in which the termination occurs; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or twelve (12) months following the termination date. The agreement also contains non-solicitation and non-competition restrictions that extend for a one (1) year period following termination of Mr. Luci's employment, as well as customary confidentiality restrictions.

John Sutton. On May 9, 2017, the Company appointed John Sutton as Chief Operating Officer and Executive Vice President, effective May 15, 2017. In connection with Mr. Sutton's appointment, KeyW entered into an employment agreement, dated May 9, 2017, with Mr. Sutton. Currently, Mr. Sutton receives an annual salary of \$370,000 and is eligible to participate in the Company's AIP, both of which may be adjusted by the Board of Directors of the Company from time to time. Other benefits currently provided to Mr. Sutton include personal time off, health insurance, officers and directors liability insurance and other standard company benefits.

Mr. Sutton is also eligible for Long-Term Incentive Shares, issuable outside the 2013 Plan. If at any time prior to the 5th anniversary of May 15, 2017, the closing market price of KeyW common stock over any 30 consecutive trading days is at or greater than the Target Price Per Share set forth in the table below, the Company will award him Long-Term Incentive Shares in an amount equal to the sum of the number of shares listed next to the Target Price Per Share and the number of shares listed next to any lower Target Price Per Share. Mr. Sutton shall be eligible for one or more additional grants with respect to the remaining Target Price Per Share that were not previously achieved or exceeded. In no event will he receive more than 200,000 Long-Term Incentive Shares.

Target Price Per Share	Long-Term Incentive Shares
\$ 13.00	25,000
\$ 16.00	25,000
\$ 20.00	50,000
\$ 25.00	50,000
\$ 30.00	50,000

If Mr. Sutton's employment is terminated without cause, for disability or if he terminates his employment for good reason (each as defined in the employment agreement), Mr. Sutton will be entitled to (i) severance of one times his then current base salary plus the product of his then current base salary multiplied by a fraction, the numerator of which is the number of days that have elapsed between the first day of such calendar year and the termination date and the denominator of which is 365, such payments payable in equal installments over the period of twelve (12) months provided that he signs and does not revoke a general release of the Company and its affiliates; (ii) certain unpaid and/or pro-rated bonuses and incentive plan payments; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or twelve (12) months following the termination date.

The employment agreement also provides that if within one (1) year following a change of control (as defined in the employment agreement), Mr. Sutton's employment is terminated without cause or if he terminates his employment for good reason (as defined in the employment agreement), then Mr. Sutton will be entitled to receive (i) his then current base salary for a period of twelve (12) months, payable in equal installments and in accordance with the Company's normal payroll practices; (ii) an amount equal to the maximum AIP bonus available to Mr. Sutton for the year in which the termination occurs; and (iii) reimbursement of health and dental insurance premiums for the lesser of the maximum COBRA period or twelve (12) months following the termination date. The agreement also contains non-solicitation and non-competition restrictions that extend for a one (1) year period following termination of Mr. Sutton's employment, as well as customary confidentiality restrictions.

All employment agreements with our NEOs who are currently employed with the Company contain the following clauses:

Proprietary Information Protection - Each employment agreement also contains confidentiality and proprietary information protection provisions to the benefit of KeyW, and non-competition and non-solicitation covenants applicable to the NEO during his or her term of employment. The non-competition and non-solicitation covenants survive for a one-year period following termination of the NEO's employment with KeyW. Further, each employment agreement provides for reimbursement by KeyW of all reasonable, ordinary and necessary business, travel or entertainment expenses incurred by the NEO in the performance of his or her services to KeyW in accordance with KeyW's then current-policies.

Clawback Provision - The clawback provision provides that any performance-based compensation paid or payable to the executive pursuant to his/her employment agreement or any other agreement or arrangement with the Company which is subject to recovery under any law, government regulation, order or stock exchange listing requirement, will be subject to deductions and clawback (recovery). If the financial statements of the Company are restated for any reason other than for accounting changes that require retrospective treatment or other external reasons not attributable to the Company and its compilation of the financial statements, any cash awards paid to the executives based on the financial statements will be recalculated based on the restated financial statements and the affected executives will have their compensation adjusted. If the compensation is reduced, the executive will be responsible for repaying the difference and if the compensation is increased, the Company will pay that additional compensation. In the case of equity awards, any shares issued in excess of the amounts calculated in the restatement will be returned to the Company, if possible. If the shares have already been disposed of at the time of the restatement, the awardee will return the proceeds from the sale to the Company. If the shares have been gifted or otherwise transferred, then an equal number of shares will be returned to the Company.

The clawback period extends for three years from the date of award payment. Each applicable executive specifically authorized the Company to withhold from their future wages any amounts that may become due under the clawback provision. The clawback provision survives termination of each applicable employment agreement for a period of two years.

This clawback provision will be terminated in conjunction with any transaction in which a change of control is deemed to have occurred and KeyW as a publicly traded corporation no longer exists.

Best Net Provision - The "Best Net" provision provides that, in the event that it is determined that total payments following a change-of-control would be subject to the excise tax imposed by Section 280G and Section 4999 of the Code, then (i) if the total payments exceed the safe harbor threshold by less than 10%, the payments will be reduced to the safe harbor amount; or (ii) if the total payments exceed the safe harbor threshold by more than 10%, the executive shall be entitled to receive the "Best Net" for the aggregate severance payments and benefits. The executive will receive either the full amount of severance payments and benefits or an amount reduced to the extent necessary so that the executive incurs no excise tax, whichever results in the executive receiving the greater amount, taking into account applicable taxes, as well as the excise tax.

Potential Payments and Benefits Upon Termination or Change of Control - The employment agreements for our NEOs, described above, have certain provisions that provide for payments to them (a) in the event of the termination of their respective employment without "cause" (as defined in the agreements) and (b) upon a "change of control" (as defined in the agreements).

Under each employment agreement "cause" is defined as (a) a good faith finding by the Company that (i) the NEO has failed to perform his or her reasonably assigned duties and has failed to remedy such failure within 10 days following written notice from the Company to the NEO notifying him or her of such failure, or (ii) the NEO has engaged in dishonesty, gross negligence or misconduct; (b) the conviction of the NEO of, or the entry of a pleading of guilty or nolo contendere by the NEO to, any crime involving any felony; (c) the NEO has breached fiduciary duties owed to the Company or has materially breached the terms of his or her employment agreement or any other agreement between the NEO and the Company; or (d) the failure of the NEO to maintain his or her security clearance if such clearance is necessary to perform the duties assigned to the NEO under his or her employment agreement.

Upon the occurrence of a "change of control," in the event the NEO's employment is terminated solely by the Company without "cause," or due to the NEO's disability, the Company shall pay to the NEO the compensation and benefits otherwise payable to him through the last day of his actual employment by the Company or through the remainder of his employment period, whichever is greater. These payments are conditioned on execution of a waiver and release agreement and shall be paid within ten days after the release becomes effective and such revocation rights have lapsed. In the event of a change of control, any outstanding equity awards held by the NEO (including any Long-Term

Incentive Share rights) will vest immediately in full upon the change of control; provided that any outstanding unvested PSU will vest at the target level.

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The following table sets forth the Company's estimated payment obligations under the NEO employment agreements that would arise in the event of (i) the termination of the NEO's employment without cause or (ii) a change of control of KeyW. The estimated payments assume that the relevant termination or change of control occurred as of December 31, 2018, using the closing price of our common stock as of December 31, 2018, which was \$6.69 per share.

TERMINATION ⁽¹⁾**CHANGE-OF-CONTROL**

	Severance Pay (\$)⁽¹⁾	Health Care Benefits (\$)⁽¹⁾	Total (\$)	Cash Payment (\$)^{(2) (3)}	Health Care Benefits (\$)^{(2) (4)}	Accelerated Vesting of Stock Options (\$)⁽⁵⁾⁽⁶⁾	Accelerated Vesting of Restricted Stock (\$)⁽⁵⁾⁽⁶⁾	Total (\$)
Bill Weber	1,378,411	39,834	1,418,245	1,603,411	39,834	—	3,356,179	4,999,424
Mike Alber	1,105,883	24,675	1,130,558	1,318,383	24,675	—	2,872,070	4,215,128
Kirk Herdman	535,451	13,412	548,863	617,951	13,412	—	1,190,766	1,822,129
Phil Luci	497,742	15,330	513,072	577,742	15,330	—	831,426	1,424,498
John Sutton	680,760	19,644	700,404	819,510	19,644	—	1,654,310	2,493,464

- The severance payment and health care benefits continuation would be payable to the NEO upon termination under
- (1) certain circumstances, including, subject to the applicable employment agreement, termination without cause, disability and termination by the executive for Good Reason (as defined in the applicable employment agreement). All of our current NEOs' employment agreements provide for "double trigger" payments and health care benefits upon a change of control as follows: if within one (1) year following a change of control (as defined in the employment
- (2) agreement), the NEO's employment is terminated without cause or if he terminates his employment for Good Reason (as defined in the employment agreement), the payments and healthcare benefits set forth accrue. See "Executive Compensation – Employment Agreements" above.
- (3) See "Executive Compensation — Employment Agreements" above for a description of the calculation of the cash payment owed to a NEO upon termination following a change of control as described in note (2) above.
- See "Executive Compensation — Employment Agreements" above for a description of the health care benefits
- (4) continuation that would be payable to the NEO upon termination following a change of control as described in note (2) above.
- Reflects full vesting of stock options, restricted stock awards, restricted stock units, performance stock units and the NEOs Long-Term Incentive Shares in connection with a change of control, as provided in each current NEOs'
- (5) employment agreements. Under each NEO employment agreement, upon a change of control, any outstanding equity awards held by the NEO (including any Long-Term Incentive Share rights) will vest immediately in full upon the change of control; provided that any outstanding unvested PSU will vest at the target level.
- (6) Calculated based on our common stock share closing price of \$6.69 as of December 30, 2018.

CEO Pay Ratio Disclosure

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are required to disclose the ratio of our median employee's annual total compensation to the annual total compensation of our principal executive officer, Mr. Weber.

The total compensation for Mr. Weber as reported in the Summary Compensation Table was \$1,512,792 and the total compensation as determined under Item 402 for our median employee was \$103,553, resulting in a pay ratio of approximately 15:1.

In accordance with Item 402(u) of Regulation S-K, we identified the median employee as of December 31, 2018 by (i) determining the gross earnings of each employee during 2018 as recorded in our payroll records and (ii) ranking this compensation measure for our employees from lowest to highest. This calculation was performed for all employees who were active as of December 31, 2018, except Mr. Weber.

The pay ratio reported above is a reasonable estimate calculated in a manner consistent with SEC rules based on our internal records and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. Therefore, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

Equity Incentive Plans

2008 Stock Incentive Plan

Overview. The KeyW Corporation 2008 Stock Incentive Plan (which we also refer to as the 2008 Plan) was adopted by our wholly-owned subsidiary, The KeyW Corporation, on July 31, 2008. Pursuant to a corporate restructuring, we assumed the 2008 Plan and the awards thereunder from The KeyW Corporation, in December 2009. Under the 2008 Plan, 1,000,000 shares of our common stock were reserved for issuance as potential awards under the plan. As of December 31, 2018, options to purchase 117,200 shares of our common stock were outstanding under the 2008 Plan.

As of December 31, 2018, outstanding options under the 2008 Plan had a weighted average exercise price of \$5.50 per share and had expiration dates ranging from February 9, 2019 to December 29, 2019. In connection with the adoption of our 2009 Plan (described below), we ceased making awards under the 2008 Plan, and no additional shares are reserved for new grants under the 2008 Plan. The 2008 Plan remains in effect, however, with respect to awards outstanding under the plan.

Effective Date and Term. The 2008 Plan was effective as of the date of approval by our Board of Directors, on July 31, 2008, and expired on July 30, 2018.

Administration, Amendment and Termination. Our Board of Directors has the power and authority to administer the 2008 Plan. As permitted by the terms of the 2008 Plan, our Board of Directors had delegated this power and authority to our Compensation Committee. The Compensation Committee has the authority to interpret the terms and intent of the 2008 Plan and make all determinations necessary or advisable for the administration of the 2008 Plan.

Terms and Conditions of Option Awards. An option granted under the 2008 Plan is exercisable only to the extent that it is vested. No option may be exercisable more than ten years from the option grant date.

The exercise price per share for each option granted under the 2008 Plan may not be less than 100% of the fair market value of the common stock on the option grant date. Prior to the cessation of awards under the 2008 Plan, fair market value was determined in good faith by our Board of Directors in a manner consistent with Section 409A of the Internal Revenue Code. Except upon the occurrence of a merger or other transaction described below, no amendment or modification may be made to an outstanding option which reduces the exercise price, either by lowering the exercise price or by canceling the outstanding option and granting a replacement option with a lower exercise price.

Payment of the exercise price for shares purchased pursuant to the exercise of an option may be made in cash or in cash equivalents acceptable to us or, to the extent permitted by law, in any other form that is consistent with applicable laws, regulations and rules, including NASDAQ rules.

The non-qualified stock options awarded under the 2008 Plan are generally non-transferable, except for transfers by will or the laws of descent and distribution. The Compensation Committee may, in its discretion, determine that an award of non-qualified stock options also may be transferred to family members by gift or other transfers deemed not to be for value.

2009 Stock Incentive Plan

Overview. The KeyW Holding Corporation 2009 Stock Incentive Plan (which we also refer to as the 2009 Plan), was adopted on December 29, 2009. Under the 2009 Plan, 12,000,000 shares of our common stock were reserved for issuance under the plan; provided, however, that awards will not be granted in excess of 12% of our total issued and outstanding common stock at any given time. Of the total shares reserved under the plan, as of December 31, 2018, non-qualified stock options for 454,026 shares of our common stock were outstanding under the 2009 Plan. No RSUs or incentive stock options were issued under the 2009 Plan. As of December 31, 2018, outstanding options under the 2009 Plan had a weighted average exercise price of \$9.17 per share and had expiration dates ranging from December 29, 2019 to December 30, 2022. In connection with the adoption of our 2013 Plan (described below), we ceased making awards under the 2009 Plan, and no additional shares are reserved for new grants under the 2009 Plan. The 2009 Plan remains in effect, however, with respect to awards outstanding under the plan.

Effective Date and Term. The 2009 Plan was effective as of the date of approval by our Board of Directors, on December 29, 2009, and will expire at the close of a ten-year term unless earlier terminated by our Board of Directors.

Administration, Amendment and Termination. Our Board of Directors has the power and authority to administer the 2009 Plan. As permitted by the terms of the 2009 Plan, our Board of Directors had delegated this power and authority to our Compensation Committee. The Compensation Committee has the authority to interpret the terms and intent of the 2009 Plan, determine eligibility and terms of awards for participants and make all other determinations necessary or advisable for the administration of the 2009 Plan.

Terms and Conditions of Option Awards. An option granted under the 2009 Plan will be exercisable only to the extent that it is vested. No option may be exercisable more than ten years from the option grant date. The Compensation Committee may include in the option agreement the period during which an option may be exercised following termination of employment or service.

The exercise price per share for each option granted under the 2009 Plan could not be less than 100% of the fair market value of the common stock on the option grant date. Prior to our IPO, fair market value was determined in good faith by our Board of Directors or Compensation Committee in a manner consistent with Section 409A of the Internal Revenue Code. After the offering, for so long as the common stock is listed on the NASDAQ, the fair market value of the common stock was the closing price of the common stock as reported on the NASDAQ on the option grant date.

Except upon the occurrence of a merger or other transaction described below, no amendment or modification may be made to an outstanding option which reduces the exercise price, either by lowering the exercise price or by canceling the outstanding option and granting a replacement option with a lower exercise price.

Payment of the exercise price for shares purchased pursuant to the exercise of an option may be made in cash or in cash equivalents acceptable to us or, to the extent permitted by law, in any other form that is consistent with applicable laws, regulations and rules, including NASDAQ rules.

Awards of non-qualified stock options are generally non-transferable, except for transfers by will or the laws of descent and distribution. The Compensation Committee may, in its discretion, determine that an award of non-qualified stock options also may be transferred to family members by gift or other transfers deemed not to be for value.

The Compensation Committee may impose restrictions on any shares of common stock acquired pursuant to the exercise of an option as it deems advisable, including minimum holding period requirements or restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which the shares of common stock are then listed or traded, or under any blue sky or state securities laws applicable to the shares of common stock.

A non-solicitation, non-interference clause was added to the form of stock option agreement and to the form of restricted stock agreement in June 2012.

2013 Stock Incentive Plan

Overview. The principal terms of the Amended and Restated 2013 Stock Incentive Plan (which we also refer to as the 2013 Plan) are summarized below. The following summary is qualified in its entirety by the full text of the 2013 Plan. The 2013 Plan became effective on January 1, 2013 and replaced the 2009 Plan. Under the 2013 Plan, 4,180,000 shares of our common stock are currently reserved for issuance under the plan. Of the total shares reserved under the plan, as of December 31, 2018, non-qualified stock options for 153,624 shares of our common stock were outstanding, 310,949 shares of unvested restricted stock were outstanding, 664,174 shares of unvested RSUs were outstanding, 240,953 shares of unearned PSUs and 490,000 rights to receive Long-Term Incentive Shares were outstanding under the 2013 Plan. No stock appreciation rights (SARs) or incentive stock options have been issued under the 2013 Plan. As of December 31, 2018, outstanding options under the 2013 Plan had a weighted average exercise price of \$14.78 per share and had expiration dates ranging from January 31, 2023 to February 6, 2024.

Purpose. The 2013 Plan is intended to enhance the Company's ability to attract and retain highly qualified officers, directors, key employees, and other persons, and to motivate such persons to serve the Company and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the 2013 Plan provides for the grant of stock options, restricted stock, RSUs, PSUs and SARs. Stock options granted under the 2013 Plan may be nonqualified stock options or incentive stock options.

Administration. The Board has such powers and authorities related to the administration of the 2013 Plan as are consistent with the Company's certificate of incorporation and bylaws and applicable law.

The Board, from time to time, may delegate to one or more Committees or the CEO such powers and authorities related to the administration and implementation of the 2013 Plan, as the Board may determine.

Subject to the other terms and conditions of the 2013 Plan, the Board has full and final authority to:

- (i) designate grantees;
- (ii) determine the type or types of awards to be made to a grantee;
- (iii) determine the number of shares of stock to be subject to an award;
- (iv) establish the terms and conditions of each award (including, but not limited to, the option price of any option, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of an award or the shares of stock subject thereto, and any terms or conditions that may be necessary to qualify options as incentive stock options);
- (v) prescribe the form of each award Agreement evidencing an award; and
- (vi) amend, modify, or supplement the terms of any outstanding award.

Deferral Arrangements. The Board may permit or require the deferral of any award payment into a deferred compensation arrangement, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or dividend equivalents, including converting such credits into deferred stock equivalents. Any such deferrals will be made in a manner that complies with Code Section 409A.

Stock Subject to the 2013 Plan. The maximum number of shares of stock currently available for issuance under the 2013 Plan is 4,180,000. All shares of stock issuable under the 2013 Plan may be issued as common stock.

The 2013 Plan imposes individual limitations on the amount of awards, to comply with Code Section 162(m). Under these limitations, in any fiscal year of the Company during any part of which the 2013 Plan is in effect, no participant may be granted an award of more than 200,000 shares.

Adjustments in Authorized Shares. The Board has the right to substitute or assume awards in connection with mergers, reorganizations, separations, or other transactions to which Section 424(a) of the Code applies. The number of shares of stock reserved pursuant to the 2013 Plan will be increased by the corresponding number of Awards assumed and, in the case of a substitution, by the net increase in the number of shares of Stock subject to awards before and after the substitution.

Effective Date and Term. The 2013 Plan was approved by the Company's Board of Directors on May 2, 2012, was approved by the Company's stockholders on August 15, 2012 and became effective as of January 1, 2013. The 2013 Plan was amended and restated on August 12, 2015 and further amended and restated on May 10, 2018, upon approvals by the Board of Directors and the Company's stockholders. The definition of change of control under the 2013 Plan was updated by the Board in March 2019.

The 2013 Plan will terminate automatically on December 31, 2022 (10 years from the effective date) and may be terminated on any earlier date as provided in the 2013 Plan.

Eligibility. Awards may be made under the 2013 Plan to any employee, officer or director of, or other service provider providing services to the Company or any affiliate thereof.

Award Agreements. Each award pursuant to the 2013 Plan will be evidenced by an award agreement, in such form or forms as the Board will from time to time determine, which specifies the number of shares subject to the award. A non-solicitation, non-interference clause is included in all award agreements.

Options. The option price of each option will be fixed by the Board and stated in the award agreement evidencing such option. The option price will not be less than the fair market value on the grant date of a share of stock; provided, however, that in the event that a grantee is a beneficial holder of more than ten percent of our common stock, the option price of an incentive stock option granted to such grantee will be not less than one hundred ten percent (110%) of the fair market value of a share of common stock on the grant date.

Subject to the terms of the 2013 Plan, each option granted under the 2013 Plan will become exercisable at such times and under such conditions as will be determined by the Board and stated in the award agreement.

The Board may provide, for example, in the award agreement for (i) accelerated exercisability of the option in the event the grantee's service terminates on account of death, disability (as defined in the 2013 Plan) or another event, (ii) expiration of the option prior to its term in the event of the termination of the grantee's service to the Company, (iii) immediate forfeiture of the option in the event the grantee's service is terminated for "Cause" (as defined in the Plan) or (iv) unvested options to be exercised subject to the Company's right of repurchase with respect to unvested shares of stock.

Generally, each option granted under the 2013 Plan will terminate, and all rights to purchase shares of stock thereunder will cease, upon the expiration of ten (10) years from the grant date, or under such circumstances and on such date prior thereto as is set forth in the 2013 Plan or as may be fixed by the Board and stated in the award agreement relating to such option.

Restricted Stock and Stock Units. The Board may from time to time grant restricted stock or stock units to persons eligible to receive awards under the 2013 Plan, subject to such restrictions, conditions and other terms as the Board may determine.

At the time an award of restricted stock or stock units is made, the Board will establish a restriction period applicable to such restricted stock or stock units.

Each award of restricted stock or stock units may be subject to a different restriction period. The Board may, in its sole discretion, at the time an award of restricted stock or stock units is made, prescribe conditions that must be satisfied prior to the expiration of the restriction period, including the satisfaction of corporate or individual performance objectives or continued service, in order that all or any portion of the restricted stock or stock units will vest.

The Board also may, in its sole discretion, shorten or terminate the restriction period or waive any of the conditions applicable to all or a portion of the restricted stock or stock units provided such action does not impair the rights of a grantee.

Holders of restricted stock will have the right to vote such stock. In the case of unvested restricted stock or unearned performance awards (shares/units), dividend payouts are prohibited.

Holders of stock units will have no rights as stockholders of the Company.

Unless otherwise provided by the Board in the applicable award agreement, upon the termination of a grantee's service with the Company or an affiliate thereof, any shares of restricted stock or stock units held by such grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, will immediately be deemed forfeited.

Withholding Taxes. The Company will have the right to deduct from payments of any kind otherwise due to a grantee any federal, state, or local taxes of any kind required by law to be withheld with respect to the vesting of or other lapse of restrictions applicable to an award or upon the issuance of any shares of stock or payment of any kind upon the exercise of an option. Subject to the prior approval of the Company the grantee may elect to satisfy such obligations, in whole or in part, (i) by causing the Company to withhold shares of stock otherwise issuable to the grantee or (ii) by delivering to the Company shares of stock already owned by the grantee. The shares of stock so delivered or withheld will have an aggregate fair market value equal to such withholding obligations.

Change of Control. Subject to certain exceptions upon the occurrence of a change of control, either of the following two actions will be taken:

(i) immediately prior to the scheduled consummation of a change of control, all shares of restricted stock and stock units will become immediately vested and all options outstanding hereunder will become immediately exercisable unless otherwise specified in any executed executive agreements and will remain exercisable for a period of fifteen days, or

(ii) the Board may elect, in its sole discretion, to cancel any outstanding awards and pay or deliver, or cause to be paid or delivered, to the holder thereof an amount in cash or securities having a value (as determined by the Board acting in good faith) equal to the product of the number of shares of stock subject to the award multiplied by the amount, if any, by which (I) the formula or fixed price per share paid to holders of shares of stock pursuant to such transaction exceeds (II) the option price applicable to such grant shares.

With respect to the Company's establishment of an exercise window, (i) any exercise of an option during such period will be conditioned upon the consummation of the event and will be effective only immediately before the consummation of the event, and (ii) upon consummation of any change of control, the 2013 Plan and all outstanding but unexercised options will terminate.

In addition, the Board of Directors has approved a resolution that, upon a change of control, all outstanding unvested performance stock units will vest at target performance.

These above terms will not apply to any change of control to the extent that provision is made in writing in connection with such change of control for the assumption or continuation of the options, stock units or shares of restricted stock theretofore granted, or for the substitution for such awards for new common stock options, stock units or new shares of restricted stock relating to the stock of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common stock) and option prices, in which event the awards theretofore granted will continue in the manner and under the terms so provided. In the event a grantee's award is assumed, continued or substituted upon the consummation of any change of control and their employment is terminated without cause within one year following the consummation of such change of control, the grantee's award will be fully vested and may be exercised in full, to the extent applicable, for the period set forth in the grantee's award agreement or for such longer period as the 2013 Plan Committee may determine.

New Plan Benefits. Future benefits under the 2013 Plan generally will be granted at the discretion of the Board and are therefore not currently determinable.

Non-Plan Awards

Grants Made Outside of the 2008, 2009 and 2013 Plans. In October 2015, pursuant to the commencement of Mr. Weber's employment as our CEO, and in accordance with the terms of his employment agreement, the Company issued Mr. Weber (i) 100,000 restricted shares of the Company's common stock as a sign-on inducement, and (ii) the right to receive 400,000 shares of our common stock as a long-term incentive inducement. Mr. Weber's sign-on inducement and long-term incentive rights were granted outside the 2013 Plan, in accordance with NASDAQ Listing Rule 5635(c)(4) and Section 4(2) of the Securities Act of 1933.

Mr. Weber's sign-on shares vested or will vest as follows: (i) 50,000 shares on October 1, 2016; (ii) 25,000 shares on October 1, 2018; and (iii) 25,000 shares on October 1, 2019.

The Long-Term Incentive Shares will be subject to a two-year holding period following the grant date. The issuance and vesting of the above-described inducement shares will be contingent upon Mr. Weber's continued employment with KeyW, subject to acceleration upon certain events. Mr. Weber's Long-Term Incentive Share right consists of five tranches, which will be awarded at any time prior to the fifth anniversary of October 1, 2015 ("the Commencement Date") if the closing market price of the Company's common stock over any 30 consecutive trading days is at or greater than the target price, set forth in the table below.

Target Price Per Share	Long-Term Incentive Share Rights
\$ 13.00	50,000
\$ 16.00	50,000
\$ 20.00	100,000
\$ 25.00	100,000
\$ 30.00	100,000

During 2016, pursuant to the commencement of the Michele Cook (EVP, Business Development), John Johns (VP - Business Development) and Mike Alber (CFO) employment agreements, we granted the right to receive up to an aggregate of 505,000 shares of the Company's common stock as a long-term incentive inducement. The long-term incentive rights were granted outside the 2013 Plan, in accordance with NASDAQ Listing Rule 5635(c)(4) and Section 4(2) of the Securities Act of 1933.

Long-Term Incentive Shares will be subject to a two-year holding period following the grant date. The issuance and vesting of the Long-Term Incentive Shares will be contingent upon the employees' continued employment with KeyW, subject to acceleration upon certain events. The 505,000 Long-Term Incentive Share rights consist of five tranches, which will be awarded at any time prior to the fifth anniversary of the individual employee's Commencement Date if the closing market price of the Company's common stock over any 30 consecutive trading days is at or greater than the target price, set forth in the table below.

Target Price Per Share	Long-Term Incentive Shares Rights
\$ 13.00	63,125
\$ 16.00	63,125
\$ 20.00	126,250
\$ 25.00	126,250
\$ 30.00	126,250

During 2017, pursuant to the commencement of the Kirk Herdman (EVP, Corporate Strategy and Business Development), John Sutton (COO), Marion Ruzecki (Chief People Officer) and 3 Sotera employees employment agreements, we granted the right to receive up to an aggregate of 600,000 shares of the Company's common stock as a long-term incentive inducement. 500,000 long-term incentive rights were granted outside the 2013 Plan, in accordance with NASDAQ Listing Rule 5635(c)(4) and Section 4(2) of the Securities Act of 1933 and 100,000 of the rights were granted under the 2013 Plan.

The issuance and vesting of such Long-Term Incentive Shares will be contingent upon the employees' continued employment with KeyW, subject to acceleration upon certain events. The 600,000 Long-Term Incentive Share rights consist of five tranches, which will be awarded at any time prior to the fifth anniversary of the individual employee's Commencement Date if the closing market price of the Company's common stock over any 30 consecutive trading days is at or greater than the target price, set forth in the table below.

Target Price Per Share	Long-Term Incentive Shares Rights
\$ 13.00	75,000
\$ 16.00	75,000
\$ 20.00	150,000
\$ 25.00	150,000

\$ 30.00 150,000

During 2018, pursuant to the commencement of David Wallen's (SVP, Advanced Cyber) employment agreement, we granted the right to receive up to an aggregate of 100,000 shares of the Company's common stock as a long-term incentive inducement. The long-term incentive rights were granted outside the 2013 Plan, in accordance with NASDAQ Listing Rule 5635(c)(4) and Section 4(2) of the Securities Act of 1933.

Target Price Per Share	Long-Term Incentive Shares Rights
\$ 13.00	12,500
\$ 16.00	12,500
\$ 20.00	25,000
\$ 25.00	25,000
\$ 30.00	25,000

Change of Control Definition

Under the 2013 Plan and each of the Company's other equity incentive plans a "change of control" means:

- (i) when any person or group (as defined under SEC rules), other than the Company, trustees under Company employee benefit plans or entities owned by Company stockholders in the same proportion as they own the Company, becomes the beneficial owner, directly or indirectly of securities representing more than 50% of the combined voting power of the Company's outstanding securities;
- (ii) the consummation of a merger or consolidation of the Company, other than where the Company's voting securities, immediately prior to the transaction, continue to represent more than 50% of the combined voting power of the Company or the surviving entity immediately after the transaction;
- (iii) the consummation of a sale or disposition by the Company of all or substantially all of the Company's assets, other than to trustees under Company employee benefit plans or entities owned by Company stockholders in the same proportion as they own the Company; or
- (iv) the approval by the Company's stockholders of a complete liquidation or dissolution of the Company or a plan of complete liquidation or dissolution.

Federal Income Tax Consequences

Incentive Stock Options. The grant of an option will not be a taxable event for the grantee or for KeyW. A grantee will not recognize taxable income upon exercise of an incentive stock option (except that the alternative minimum tax may apply), and any gain realized upon a disposition of our common stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain if the grantee holds the shares of common stock for at least two years after the date of grant and for one year after the date of exercise (the "holding period requirement"). The Company will not be entitled to any business expense deduction with respect to the exercise of an incentive stock option, except as discussed below.

For the exercise of an option to qualify for the foregoing tax treatment, the grantee generally must be our employee or an employee of our subsidiary from the date the option is granted through a date within three months before the date of exercise of the option. If any of the foregoing requirements are not met or the grantee fails to satisfy the holding period requirement mentioned above, the grantee will recognize ordinary income at the time of exercise or upon the disposition of the common stock, as applicable, in an amount generally equal to the excess of the fair market value of

the common stock at the time the option was exercised over the option exercise price (but, in the event of a disqualifying disposition, not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. The Company will be allowed a business expense deduction to the extent the grantee recognizes ordinary income.

Non-Qualified Options. The grant of an option will not be a taxable event for the grantee or for the Company. Upon exercising a non-qualified option, a grantee will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the common stock on the date of exercise. Upon a subsequent sale or exchange of shares acquired pursuant to the exercise of a non-qualified option, the grantee will have taxable capital gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the shares of common stock (generally, the amount paid for the shares plus the amount treated as ordinary income at the time the option was exercised). The Company will generally be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted Stock. A grantee who is awarded restricted stock will not recognize any taxable income for federal income tax purposes in the year of the award, provided that the shares of common stock are subject to restrictions (that is, the restricted stock is non-transferable and subject to a substantial risk of forfeiture). However, the grantee may elect under Section 83(b) of the Internal Revenue Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the common stock on the date of the award (less the purchase price, if any), determined without regard to the restrictions. If the grantee does not make such a Section 83(b) election, the fair market value of the common stock on the date the restrictions lapse (less the purchase price, if any) will be treated as compensation income to the grantee and will be taxable in the year the restrictions lapse and dividends paid while the common stock is subject to restrictions will be subject to withholding taxes. The Company will generally be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted Stock Units. There are no immediate tax consequences of receiving an award of RSUs under the 2013 Plan. A grantee who is awarded such stock units will be required to recognize ordinary income in an amount equal to the fair market value of shares issued to such grantee at the end of the restriction period or, if later, the payment date. The Company will generally be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Equity Compensation Plan Information

The following table sets forth information as of December 31, 2018 with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans Excluding Securities Reflected in Column (a) (c) ⁽¹⁾
Equity compensation plans approved by security holders	1,372,966	\$ 10.28	1,242,735
Equity compensation plans not approved by security holders ⁽²⁾	1,315,000	—	—
TOTAL	2,687,966		1,242,735

⁽¹⁾ The 2013 Plan, which took effect on January 1, 2013, replaced the 2009 Plan, and authorizes the issuance of up to 4,180,000 shares.

During 2015, 2016, 2017 and 2018, the Company granted Long-Term Incentive Shares pursuant to employment agreements with certain new employees. The agreements provided for grants of inducement equity awards outside of the 2013 Plan. An aggregate of 1,215,000 shares were granted during 2015, 2016, 2017 and 2018 outside of the 2013 Plan to new hires, in accordance with NASDAQ Listing Rule 5635(c)(4) upon commencement of their employment. The remaining 100,000 shares were granted to two Sotera employees upon the Sotera acquisition in April 2017.

Retirement Plans

As of January 1, 2018, The KeyW Corporation entered into a new Employee 401(k) Plan (the “2018 KeyW Plan”), which includes a contributory match 401(k) feature for KeyW employees who are employed by KeyW on the last day of each calendar year. As of January 1, 2018, the 2018 KeyW Plan calls for an employer matching contribution between 4% and 8.5%. Total authorized contributions under the matching contribution feature of the KeyW Plan was \$11.4 million in 2018. There was no discretionary contribution during 2018.

Prior to December 31, 2017, the Company had a qualified defined contribution retirement 401(k) plan. The KeyW Corporation Employee 401(k) Plan (the “KeyW Plan”). The KeyW Plan included a contributory match 401(k) feature for KeyW employees who were employed by KeyW on the last day of each calendar year. As of January 1, 2010, the KeyW Plan called for an employer matching contribution of up to 10% of eligible compensation. Total authorized contributions under the matching contribution feature of the KeyW Plan were \$9.1 million and \$10.0 million, in 2017 and 2016, respectively. There were no discretionary contributions during these periods. The KeyW Plan terminated on December 31, 2017. There will be no further contributions made under the KeyW Plan.

The Company previously had a qualified defined contribution retirement plan, the Sotera 401(k) Plan, which included a contribution match for legacy Sotera employees. The Sotera Plan called for an employer matching contribution of up to 4% of eligible compensation. Subsequent to the Sotera acquisition the total authorized contributions under the Sotera Plan were \$1.9 million in 2017. The Sotera Plan was terminated on December 31, 2017.

Employee Stock Purchase Plan

We adopted the Employee Stock Purchase Plan (the “ESPP”) on September 3, 2010. The ESPP offers a maximum of 5,000,000 million shares of Common Stock for purchase by employees (including NEOs) over the ten-year life of the ESPP. Employees are able to purchase shares through accumulated payroll deductions at 85% of the fair market value of the shares based on the closing sales price of the shares on the purchase date, which will occur at the end of each fiscal quarter. Individual employees are limited to a maximum of 1,000 shares per quarter under the ESPP. The Company has elected to use open market purchases for all shares issued under the ESPP.

Options to Purchase Securities

The Company has established several stock incentive plans. The purpose of these plans are to enhance our ability to attract and retain highly qualified officers, directors, key employees, and other persons, and to motivate such persons to serve KeyW and to expend maximum effort to improve the business results and earnings of KeyW, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of KeyW.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Review, Approval and Ratification of Transactions with Related Persons

The Company has adopted a related person transactions policy pursuant to which our executive officers, directors and principal stockholders, including their immediate family members, are not permitted to enter into a related person transaction with the Company without the consent of the Audit Committee or another independent Committee selected by our Board of Directors, or the full Board. Any request for the Company to enter into a transaction with an executive officer, director, principal stockholder or any of such persons' immediate family members in which the amount involved exceeds \$120,000 will be required to be presented to the Audit Committee for review, consideration and approval. All directors, executive officers and employees will be required to report to the Audit Committee any such related person transaction. In approving or rejecting the proposed agreement, the Audit Committee will take into account, among other factors it deems appropriate, whether the proposed related person transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, the extent of the person's interest in the transaction and, if applicable, the impact on a director's independence. Under the policy, if the Company should discover related person transactions that have not been approved, the Audit Committee will be notified and will determine the appropriate action, including ratification, rescission or amendment of the transaction. A copy of our related person transactions policy is available on the Company's website at www.keywcorp.com.

Transactions with Related Persons

Since December 31, 2017, there have been no transactions and there are currently no proposed transactions, that involve the Company and one or more of our (i) directors and nominees for director, (ii) executive officers, or (iii) beneficial owners of more than 5% of our common stock outstanding (a "5% stockholder") (or any of the foregoing person's affiliates or associates) (which we refer to collectively as "related persons"), in each case, in which the amount involved in the transaction exceeds or will exceed \$120,000.

PROPOSAL 1 - ELECTION OF DIRECTORS

Directors/Nominees

At the Annual Meeting, nine (9) directors of the Company will be elected, each to hold office until the next Annual Meeting of Stockholders or until their respective successors shall have been duly elected and qualified.

Each of the nominees named below have consented to serve if elected. In case any of the nominees is not a candidate for director at the Annual Meeting, an event which management does not anticipate, it is intended that the enclosed Proxy will be voted by the proxy holder for a substitute nominee, if any, designated by the Board of Directors, unless the authority to vote for the management nominee(s) is withheld in the Proxy.

The following sets forth information provided by the nominees as of April 9, 2019, all of whom have been nominated by the Company's Nominating and Corporate Governance Committee and all of whom have consented to serve if elected by our stockholders.

Deborah Bonanni, 63, has been a director at KeyW since April 1, 2013. Ms. Bonanni retired from public service in early 2013 following a distinguished career in the National Security Agency (NSA). From 2006 to 2013 she served as the NSA Chief of Staff. In that role, she was responsible for the strategic direction, leadership and oversight of the corporate functions that enable and support the Agency's signals intelligence, information assurance, and cybersecurity missions. Her span of control covered physical and personnel security, human resource services, education and training, installations and logistics, policy and records management, external relations, corporate communications, occupational health and wellness, and registry and protocol services. In addition, she chaired the corporate board and managed the processes that governed the identification, selection, compensation, and professional leadership development of NSA's highest-level executive leaders and technical experts.

Prior to serving as NSA Chief of Staff, Ms. Bonanni served in a number of senior leadership positions, including the Associate Director of Human Resources Services; the Associate Director for Education and Training; and the Commandant of the National Cryptologic School, a nationally recognized academic institution providing tailored training and professional development of military and civilian employees. As Deputy Director of the NSA's Equal Employment Opportunity organization, she advocated for the use of mediation as a neutral and effective alternative to litigation for resolving disputes and established the Agency's first alternative dispute resolution center. Ms. Bonanni began her NSA career as a staff attorney specializing in federal procurement law before assuming the leadership position of Associate General Counsel for Information Security.

Ms. Bonanni graduated from Hood College, Summa Cum Laude, with a Bachelor of Arts degree in History and Political Science. She received her Juris Doctorate from the Columbus School of Law, Catholic University, and is a member of the Bars of Maryland and the District of Columbia. She is a graduate of the 43rd Senior Seminar, an executive leadership program sponsored by the U.S. Department of State for civilian and military leaders from the federal foreign affairs community. She has completed numerous executive leadership programs and professional mediation courses at some of the country's top universities. Ms. Bonanni received the Exceptional Civilian Service Award, NSA's highest honorary award, as well as three Presidential Rank Awards, one at the highest distinguished level. She was also awarded the National Distinguished Service Medal from the Director, National Intelligence.

Ms. Bonanni has been employed in leadership positions in the private sector since her retirement from public service. From 2013 to 2016, she served as Vice President, Strategic Relations, Intel Division for Intelligent Decisions, Inc. In addition, in 2016, Ms. Bonanni served as a part-time consultant to Booz Allen Hamilton supporting a contract with the Department of Homeland Security (DHS) relating to the selection, development, and compensation of senior executives and leaders within DHS. Following the Federal Data Systems LLC purchase of Intelligent Decisions, in May 2016, Ms. Bonanni transitioned to FedData and currently serves as its Executive Vice President and Counsel. In a volunteer capacity, she serves on the Hood College Board of Associates, and is the Chair of the Graduate School Committee. Ms. Bonanni delivered the 2016 Hood College Graduate School commencement speech and was awarded an honorary Doctorate of Humane Letters, and she continues to lecture on leadership in Hood's doctoral leadership program. In 2016 Ms. Bonanni was elected to the Board of the Association of Former Intelligence Officers.

Ms. Bonanni's broad business experience, coupled with her extensive public service career and leadership as the Chief of Staff of NSA, contribute valuable expertise to our Board of Directors. Her past leadership and oversight of the corporate functions of NSA afford her a unique perspective on the operations of the intelligence community and is an asset to the Board.

Bill Campbell, 74, has been a director at KeyW since July 16, 2009. In 2012, Mr. Campbell formed Sanoch Management, a consulting and investment firm for financial companies, start-ups, and venture capital firms and currently serves as President. Prior to Sanoch, Mr. Campbell was most recently Chairman of Chase Card Services at JPMorgan Chase & Co., the nation's largest credit card organization. From 2005 to 2007 he served as Chairman of Visa International, leading the organization to its IPO in 2008, the second largest in U.S. history. Prior to his executive roles at JPMorgan Chase and its predecessors, and the formation of Sanoch, Mr. Campbell oversaw Citigroup's Global Consumer Business, including global branch banking and credit cards. He became Chief Executive Officer of Global Citibank in 1996 and Chief Executive Officer of Citigroup's Global Consumer Business a year later. Before joining Citicorp in 1995, Mr. Campbell spent 28 years at Philip Morris, including five years as Chief Executive Officer of Philip Morris USA. He began his career in Canada in brand management in 1967 and eventually served as President of the Asian region for Philip Morris, EVP of Marketing and Sales for Philip Morris USA, and EVP of Strategic Planning for Philip Morris Companies.

He currently serves as a director of First Beverage Group, a privately held company. Mr. Campbell earned a Bachelor's degree in Economics from the University of Alberta in 1965 and a Master's degree in Business Administration from the University of Western Ontario in 1967.

Mr. Campbell's business experiences in a diverse group of major public companies, and in numerous executive positions in the financial services industry, gives our Board of Directors a perspective on national and global economic developments and valued experience in the operations of large organizations.

Shep Hill, 66, has been a director at KeyW since November 9, 2016. Combining decades of aerospace and international business experience, he is a veteran global business leader. Retired from The Boeing Company in May 2015, after nearly three decades of service, Mr. Hill most recently served as president of Boeing International and senior vice president of Business Development and Strategy. He was a member of Boeing's Executive Council and a company officer.

As president of Boeing International, Mr. Hill led the company's international affairs, with leadership responsibilities for 18 Boeing in-country operations throughout the world. He was responsible for the company's international strategy and operations along with business growth and productivity initiatives outside the United States. During Mr. Hill's tenure, the company's international revenue more than doubled from \$23.8 billion to \$52.9 billion.

As Business Development and Strategy leader, he was responsible for analyzing and developing plans to drive the company's growth and nurture new businesses. In this capacity, he coordinated the company's corporate development function, with responsibility for acquisitions, divestitures, mergers, equity investments and joint ventures.

Mr. Hill held the International position beginning in November 2007 and reassumed the Business Development and Strategy role in October 2009, having held the post from 2006 to 2007. Previously, Mr. Hill was vice president of Business Development at Boeing Defense, Space & Security and was responsible for the development, integration and implementation of Defense, Space & Security customer and business strategies.

Mr. Hill joined Boeing when the company acquired Rockwell's Aerospace and Defense business in 1996. At that time, Mr. Hill was Rockwell's vice president of Aerospace Government Affairs and Marketing. Before joining Rockwell in 1987, Mr. Hill served as chief of staff and legislative director to Rep. Bill Chappell of Florida from 1980 to 1987.

In 1989, he completed the John F. Kennedy School of Government Harvard University Program for Senior Executives in National and International Security. He is a distinguished graduate of the Naval War College in Newport, Rhode Island and received a bachelor's degree in history from Stetson University. Mr. Hill is a board member of the Smithsonian National Air and Space Museum and member of the Council on Foreign Relations.

Mr. Hill's hands-on experience in developing and implementing strategies for driving growth and nurturing new business specifically aligns with our plan to expand business in the Intelligence, Cyber and Counterterrorism communities.

Chris Inglis, 64, has been a director at KeyW since May 18, 2016. Mr. Inglis currently serves as the U.S. Strategic Command's Intelligence Panel Chair on the Commander's Strategic Advisory Group, a member of the U.S. Defense Science Board, and a member of the Director of National Intelligence Strategic Advisory Panel. He has served as the U.S. Naval Academy's Robert and Mary M. Looker Distinguished Visiting Professor of Cyber Studies since July 2014. He is a serving board member of Blackpoint Security, Inc., FedEx Corporation, Huntington Bancshares, SECURONIX Security, Inc. and a trustee of Analytic Services, Inc. (ANSER), a non-profit public services institute. He previously served for forty-one years in the DoD, retiring in January 2014 after twenty-eight years at the NSA and seven- and one-half years as its senior civilian and Deputy Director. As the NSA Deputy Director, Mr. Inglis was the Agency's chief operating officer, responsible for guiding and directing strategies, operations and policy.

Mr. Inglis holds advanced degrees in engineering and computer science from Columbia University, Johns Hopkins University, and the George Washington University. He is also a graduate of the Kellogg Business School executive development program, the USAF Air War College, Air Command and Staff College, and Squadron Officers' School. Mr. Inglis' military career includes over thirty years of service in the U.S. Air Force – nine years on active duty and twenty-one years in the Air National Guard – from which he retired as a Brigadier General in 2006. He holds the rating of Command Pilot and commanded units at the squadron, group, and joint force headquarters levels.

Mr. Inglis' significant Awards include the Clements award as the U.S. Naval Academy's Outstanding Military Faculty member (1984), three Presidential Rank Awards (2000, 2004, and 2009), the USAF Distinguished Service Medal (2006), the Boy Scouts of America Distinguished Eagle Scout Award (2009), the Director of National Intelligence Distinguished Service Medal (2014), the President's National Security Medal (2014), and the U.S. Air Force Academy's Distinguished Graduate Award (2018).

Mr. Inglis brings over 40 years of experience in the government to KeyW. His broad experience in government and with cyber products and services is a valuable asset to the Company.

Ken Minihan, 75, (Lt. General (Ret) USAF) has been a director at KeyW since August 22, 2008. Since 2002, Lt. General Minihan has served as Managing Director of Paladin Capital Group and is focused on the development and implementation of new investment opportunities for Paladin's Homeland Security Fund. Prior to joining Paladin, Lt. General Minihan was the 14th Director of the NSA/Central Security Service. While at the NSA, he was instrumental in the definition and implementation of the National Information Assurance Program. During his military service, Lt. General Minihan developed extensive experience in making new technologies operational and implementing leading edge services and products in a competitive environment where lives were often at risk. During the last twenty years of the Cold War and the transition to the Information Age, he was instrumental in the definition and selection of technology solutions to solve many difficult national security information needs. Throughout that time, Lt. General Minihan helped set the performance standards for information enterprise operations. Lt. General Minihan is a past Chairman and President of the Security Affairs Support Association (now known as INSA), which focuses on shared government and industry national intelligence and technology challenges. He also is a member of the Air Force Association, the National Military Intelligence Association and other national organizations. He has substantial

experience in capital raising, enterprise operations, business development and business readiness assurance. He devotes considerable attention to and consults on national security affairs.

Lt. General Minihan has a Bachelor of Arts degree from Florida State University, a Master of Arts degree from the Naval Postgraduate School, and has completed executive development programs at the University of Illinois and Harvard University. Among his awards and decorations are the National Security Medal, the Defense Distinguished Service Medal, the Bronze Star, the National Intelligence Distinguished Service Medal, and the Legion of Merit. He serves as a Director on the following boards: American Government Solutions, CGI Federal, Inc., a subsidiary of CGI Group, Inc., Lexis Nexis Special Services, and ManTech International Corporation.

Lt. General Minihan's depth of knowledge from his military service and as a director of the NSA brings valuable expertise to our Board of Directors. Further, his business experience with Paladin Capital Group brings industry expertise to our Board that is compounded by his public sector service.

Art Money, 79, has been a director at KeyW since August 22, 2008. Previously, he served as a Director of Essex Corporation from January 2003 to January 2007. He is currently consulting, specializing in command, control, and communications, intelligence, signal processing, and information processing. Mr. Money served as the Assistant Secretary of Defense for Command, Control, Communication and Intelligence (C3I) from October 1999 to April 2001. Prior to his Senate confirmation in that role, he was the Senior Civilian Official, Office of the Assistant Secretary of Defense for C3I from February 1998. Mr. Money also served as the Chief Information Officer for the DoD from 1998 to 2001. From 1996 to 1998, he served as Assistant Secretary of the Air Force for Research, Development and Acquisition, and as CIO for the Air Force. He has also received distinguished public service awards from the DoD (Bronze Palm), the U.S. Air Force, and the U.S. Navy. Prior to his government service, Mr. Money held senior management positions (including President from 1989 to 1995) with ESL Inc., a subsidiary of TRW, and the TRW Avionics and Surveillance Group. Mr. Money serves on numerous United States Government panels, boards and commissions. He currently serves on the boards of Babel Street, Inc., Catapult Consultants, LLC, Electronic Warfare Associates, Inc., Eagle Ray, Inc., HawkEye 360, Inc. and Westbridge Technologies, Inc.

Mr. Money received a Bachelor of Science degree in Mechanical Engineering from San Jose State University in 1965, a Master of Science degree in Mechanical Engineering from University of Santa Clara in 1970 and attended the Harvard Executive Security Program in 1985 and the Program for Senior Executives at the Sloan School at the Massachusetts Institute of Technology in 1988. Mr. Money received the INSA (Intelligence and National Security Alliance) 28th Dr. William Oliver Baker Award in May 2012 and was elected to the National Academy of Engineering in October 2013.

Mr. Money's service in the intelligence sector, on the boards of numerous public companies and with sophisticated advisory groups, combined with his prior management experience in the private sector, brings a breadth of knowledge to our Board of Directors.

Caroline Pisano, 52, has been a director at KeyW since August 22, 2008. She was named Chairman of the Board in May 2015. Previously, she was a Director of Essex Corporation from September 2000 through January 2003 and served as General Counsel and Vice President of Finance of Essex from January 2003 to June 2004. From April 2000 through December 2002, Ms. Pisano was a member of Networking Ventures, L.L.C. From August 1996 to March 2000, Ms. Pisano served as General Counsel and Chief Financial Officer of Pulse Engineering, Inc., an information security and signal processing company which was sold in March 2000. From August 1992 to July 1996, Ms. Pisano served as a senior transactional attorney with the law firm of Wechsler, Selzer, and Gurvitch, Chartered. From June 1988 to August 1990, Ms. Pisano, was a certified public accountant, practiced public accounting and specialized in high tech and biotech companies. Ms. Pisano received her Juris Doctorate degree from the Washington College of Law at the American University in Washington, D.C. Ms. Pisano graduated Magna Cum Laude with a Bachelor of Science degree in Accounting from the University of Maryland.

Ms. Pisano's significant institutional knowledge of our Company's field of work gives our Board of Directors valuable insight into our operations. Her prior managerial experience brings insightful business knowledge to bear on our Board deliberations.

Mark Sopp, 53, joined the Board on March 16, 2016. Mr. Sopp is Executive Vice President and Chief Financial Officer of KBR, Inc. KBR is an approximately \$5 billion global provider of differentiated professional services and technologies within the Government Services and Hydrocarbons sectors, with approximately 36,000 employees operating in over 80 countries.

Prior to KBR, Mr. Sopp most recently served as EVP and CFO of Leidos Holdings, Inc. (Leidos), a \$5 billion provider of technology solutions in intelligence, military, health, and energy markets. Prior to that, he served in the same role with Science Applications International Corporation, or "SAIC", an \$11 billion Fortune 500® provider of technology services and solutions in government and commercial markets. Mr. Sopp played a lead role in SAIC's initial public offering in 2006 after being private over three decades, and which has remained the largest IPO in the

government services sector to date. After navigating a period of growth from roughly \$7 billion to \$11 billion in revenues, he helped lead the transformation of SAIC into two separate, multi-billion NYSE-listed companies in 2013 (NYSE: “LDOS” and “SAIC”).

Prior to KBR, Leidos and SAIC, Mr. Sopp served as Executive Vice President and Chief Financial Officer of Titan Corporation from 1998 to 2005, culminating in its successful \$2.5 billion merger with L3 Communications. Mr. Sopp was instrumental in Titan’s focus on growth, profitability, and cash flow in the Federal intelligence and defense market, achieving revenues of approximately \$2 billion in 2005. Prior to Titan Corp, Mr. Sopp led the international finance function at Taylor Made Golf Company from 1990 to 1998, with focus areas in international tax, treasury, financial planning, and systems automation. Before Taylor Made Golf, Mr. Sopp was a CPA and Audit Senior at Arthur Andersen & Co.

Academically, Mr. Sopp completed the Executive Program at UCLA and his undergraduate work at New Mexico State University with a Bachelor's of Science degree in Accounting. Mr. Sopp received his CPA from the State of California in 1989.

Mr. Sopp brings a wealth of recent hands-on experience in successfully operating public companies serving Federal and Commercial customers. This has included significant experience in complex capital structure and corporate development transactions, and their attendant corporate governance dynamics. In addition, his experience in driving organic growth, profitability improvement, cash flow generation, effective capital deployment and meeting rigorous compliance requirements well align with the foreseeable priorities of KeyW.

Bill Weber, 53, has served as our President and Chief Executive Officer and as a director, since October 1, 2015. Mr. Weber has more than 25 years of experience building leading technology and solutions organizations and addressing the changing needs of customers in both the private and public sectors. In these endeavors, his tenure has been marked by growth and maturity of the organization. From March 2012 to September 2015, he served as President and Chief Operating Officer of XLA, a private equity-backed federal government services and software company focused in the areas of national security, diplomacy, and nation building.

Prior to XLA, he served as President of Kaseman, a private equity-backed government-focused professional services firm and Senior Vice President at GTSI Corporation, a leading IT provider to the U.S. Government, where he oversaw the creation and development of a professional services business that eventually accounted for a quarter of the company's revenue and one third of its profit. He has held senior executive positions with McData, CNT Corporation, Inrange Technologies, International Network Services, and AT&T, all focused around solutions creation and growth.

Mr. Weber has a Bachelor of Science from Washington University and is a graduate of The Executive Program at the University of Virginia Darden School of Business. He is a former U.S. Army officer and an Airborne Ranger.

Mr. Weber's proven leadership ability and track record of delivering results and accelerated growth bring valuable experience to KeyW. His track record, appreciation for KeyW's culture, and demonstrated ability to be nimble and navigate industry changes quickly makes him a clear choice to lead KeyW to the next level and continue its development into a premier brand in the intelligence community, government, and commercial solutions marketplaces.

Vote Required

The nominees to be selected as directors must receive a majority of the votes cast at the Annual Meeting to be elected (meaning the number of shares voted “FOR” a nominee must exceed the number of shares voted “AGAINST” such nominee). With respect to the election of directors, you may vote “FOR” or “AGAINST” each of the nominees or you may “ABSTAIN” from voting for one or more nominees. Abstentions and broker non-votes will have no effect on this proposal because broker non-votes will not be considered as present or voting and abstentions will be counted only for purposes of determining whether there is a quorum. If you do not instruct your broker how to vote with respect to this item, your broker may not vote with respect to this proposal. Proxies may not be voted for more than nine (9) directors at the Annual Meeting.

The Board of Directors recommends a vote FOR approval of the election of each of the Nominees for Director.

Executive Officers

The following sets forth information provided by the NEOs as of April 9, 2019 (other than Bill Weber, for whom biographical information is included above under “Directors/Nominees”):

Mike Alber, 61, has served as the Chief Financial Officer and Executive Vice President of KeyW since June 13, 2016. With more than 35 years of corporate finance, accounting and administrative experience with federal contractors, Mr. Alber served as a Principal with Growth Strategy Leaders, a business and financial consulting firm, from April 2015 to May 2016 and as Chief Financial Officer and SVP at Engility Corporation (NYSE: EGL) a \$2.5 billion technology services and solutions provider to the U.S. Government and International customers from May 2012 to March 2015.

Prior to Engility, Mr. Alber held the position of Chief Financial Officer and Treasurer at Alion Science and Technology from 2007 to 2012. He has also held senior executive positions at SAIC (18 years), where he served as a SVP and Group CFO, and Director of Finance at Network Solutions, Inc.

Mr. Alber's significant experience in the government solutions industry and large public companies serves the Company well. KeyW benefits greatly from his diverse expertise running sophisticated financial operations in both services and technology centric organizations.

Mr. Alber received his Bachelor of Science degree from George Mason University in Business Administration with a concentration in finance and recently completed an Advance Management Program (AMP) at Georgetown University's McDonough School of Business.

Kirk Herdman, 55, has served as Executive Vice President of Corporate Strategy and Business Development since September 15, 2017. Kirk joined KeyW in April 2017 as part of the Sotera acquisition to lead the company's corporate strategy. He has more than 29 years of experience in operational and business development leadership positions creating, leading and growing organizations in the national security sector of the federal government contracting market.

Before joining KeyW, Kirk was EVP and chief strategy officer for Sotera Defense Solutions, Inc. from June 2009 to April 2017. He joined Sotera as the senior vice president for business development and operations to create a centralized business development organization and to integrate legacy components of an emerging, mission-focused, national security company. He played a critical role in developing and driving the strategies that captured many of Sotera's prime contracts.

Earlier in his career, Kirk held leadership positions with Wyle Information Systems, General Dynamics Advanced Information Systems and ManTech International.

Kirk holds a Bachelor of Science degree in Applied Mathematics from Virginia Tech and is a graduate of the University of Virginia's Darden School of Business Executive Training Program on Leadership Change.

Phil Luci, 58, has served as Executive Vice President, General Counsel and Corporate Secretary since May 10, 2017. Mr. Luci joined KeyW in December 2010 and served as Vice President and General Counsel from December 2010 to May 2017 at which time he was promoted to Executive Vice President. Phil is responsible for KeyW's legal,

compliance, security, stock administration, pricing and contracts functions. Prior to joining KeyW, Phil held a number of positions within the Central Intelligence Agency (CIA), including serving as chief acquisition officer & procurement executive, counsel to the chief financial officer, deputy counsel for the Intelligence Community management staff and deputy chief of the Logistics and Procurement Law Division.

Prior to his CIA service, Phil served as an attorney at the National Security Agency with a primary focus on government procurement law.

After 27 years of active and reserve duty service, Phil retired from the U.S. Army at the rank of Colonel. He served in a number of senior Army positions, most notably as Staff Judge Advocate for the 99th Regional Readiness Command and Commander of the 10th Legal Support Organization.

A native of western Pennsylvania, Phil holds a Bachelor of Arts degree and a Juris Doctorate from Duquesne University and a Master of Laws in Government Procurement Law from The George Washington University.

John Sutton, 60, joined KeyW in May 2017 as Executive Vice President and Chief Operating Officer. John leads the delivery, mission performance, program teams, and customer satisfaction of KeyW's products and solutions. After completing the integration of Sotera, John has ensured the company achieves monthly, quarterly, and annual revenue and profit commitments.

John's extensive experience in systems integration, software development, telecommunications, and cyber security to federal and commercial clients has enabled delivery and growth of contracts totaling billions in profitable revenue. John has served nearly every federal agency delivering ship repair, space system modeling & simulation, electronic warfare and cryptography, global sub-sea telecommunications, unmanned & force protection systems, ISR systems, missile planning systems, cyber products, agile development, and cloud deployments.

Prior to KeyW, John led business development for QinetiQ NA's \$1.2 billion products and solutions and also served as General Manager of the Defense, Intelligence and Commercial Cyber business. Thereafter, John served as a principal in the sale and integration of QinetiQ NA to Veritas Capital and helped form Vencore as General Manager of the Defense, NSA, and DHS Group.

John began his career in 1981 as a Merchant Marine Officer serving as Third, Second, and Chief Mate on U.S. Flag ships. In 1986, he joined Advanced Technology launching his business career winning, growing, and operating federally focused technology businesses. As a leading player in growing firms to successful exits generating a total value of \$2.8 billion, John has been integral to many transactions such as PRC/Litton, GRC/AT&T, McDonald Bradley/ManTech, Global Crossing/Level 3, and QinetiQ NA/Veritas.

John has served on George Mason University's Management Advisory Board, Blue Canopy Advisory Board, and the Executive Committee of INSA. In addition, he was the founding chair of the Washington Executive General Manager's Council and is a volunteer for the Wounded Warrior Mentor Program. John's awards include; Time Magazine Top Inventions of 2008 Team Award for "A-Space", Department of the Army Superior Performance, and Department of the Navy AEGIS Excellence Award.

A native of Scituate, Massachusetts, John holds a Master of Business Administration from George Mason University and a Bachelor of Science in Marine Transportation from Massachusetts Maritime Academy. He splits time between Oxford, MD and Reston, VA with his wife and has four grown children and three grandchildren.

PROPOSAL 2 - RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP (Deloitte) currently serves as the Company's independent registered public accounting firm, and that firm conducted the audit of the Company's accounts for the year ending December 31, 2018. The Audit Committee has appointed Deloitte to serve as independent registered public accounting firm to conduct an audit of the Company's accounts for the fiscal year ending December 31, 2019.

Stockholder ratification of the selection of Deloitte as our independent registered public accounting firm is not required by our bylaws or otherwise. However, the Board is submitting the selection of Deloitte to the stockholders for ratification as a matter of good corporate practice. If the stockholders do not ratify the selection, the Audit Committee will reconsider whether or not to retain Deloitte. Even if the selection is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our and our stockholders' best interests.

Vote Required

Ratification of Deloitte & Touche LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019 requires the affirmative vote of the majority of the votes cast (meaning the number of shares voted "FOR" a proposal must exceed the number of shares voted "AGAINST" such proposal). With respect to the ratification of Deloitte & Touche LLP, you may vote "FOR," "AGAINST" or "ABSTAIN" from voting on this proposal. Abstentions and broker non-votes are not considered votes cast for the foregoing purpose and will have no effect on the vote for this proposal.

The Board of Directors recommends a vote FOR approval of the Proposal to Ratify the Appointment of DELOITTE & TOUCHE LLP as the Company's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2019.

PROPOSAL 3 - NON-BINDING ADVISORY VOTE ON THE COMPENSATION OF the COMPANY'S NAMED EXECUTIVE OFFICERS

Background of the Proposal

The Dodd-Frank Act requires all public companies to hold a separate non-binding advisory stockholder vote to approve the compensation of executive officers as described in the Compensation Discussion and Analysis, the executive compensation tables and any related information in each such company's proxy statement (commonly known as a "Say-on-Pay" proposal). Pursuant to Section 14A of the Exchange Act, we are holding a separate non-binding advisory vote on Say-on-Pay at the Annual Meeting.

Say-on-Pay Proposal

As discussed in the CD&A section of this Proxy Statement, the Company's executive compensation program is primarily structured to attract, retain, and motivate qualified, talented and diverse leaders who are enthusiastic about the Company's mission and culture by providing competitive compensation and benefits to its executive officers consistent with our focus on controlling costs. The primary elements of compensation used to support the above goals are base salary, annual incentives, long-term incentives, discretionary awards, and retirement, health and welfare benefits. KeyW maintains compensation plans that tie a substantial portion of its executives' overall compensation to the achievement of corporate goals and success of the Company. The Board of Directors believes that the compensation program for the Company's executive officers is appropriately based upon our performance and the individual performance and level of responsibility of the executive officers. KeyW urges you to read the "Executive Compensation" section of this Proxy Statement for details on the Company's executive compensation programs.

The Say-on-Pay proposal is set forth in the following resolution:

"RESOLVED, that the compensation paid to The KeyW Holding Corporation's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED."

Vote Required

Adoption of the Say-on-Pay proposal requires the affirmative vote of the majority of the votes cast (meaning the number of shares voted "FOR" a proposal must exceed the number of shares voted "AGAINST" such proposal). You may vote "FOR", "AGAINST" or "ABSTAIN" from voting on this proposal. Abstentions and broker non-votes are not considered votes cast for the foregoing purpose and will have no effect on the vote for this proposal. If you do not instruct your broker how to vote with respect to this item, your broker may not vote with respect to this proposal.

Because your vote on this proposal is advisory, it will not be binding on the Board of Directors, the Compensation Committee or the Company. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE SAY-ON-PAY PROPOSAL.

Audit Committee Report

In performing its oversight responsibilities, the Audit Committee has reviewed and discussed the Company's 2018 consolidated audited financial statements with the Company's management. The Audit Committee also has discussed with the Company's independent registered public accounting firm, Deloitte & Touche LLP, the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, which include, among other items, matters related to the conduct of the audit of the Company's consolidated financial statements.

The Audit Committee has received written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with the independent accountant the independent accountant's independence.

Based on these reviews and discussions, the Audit Committee recommended to the Board of Directors that the Company's 2018 audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

The Board of Directors has the ultimate authority for effective corporate governance, including oversight of the management of KeyW. The Audit Committee assists the Board in fulfilling its responsibilities by overseeing KeyW's accounting, auditing and financial reporting processes, internal controls, financial risk exposures and for monitoring compliance with certain regulatory and legal requirements. The Audit Committee regularly reports to the full Board. For a summary of the responsibilities of the Audit Committee, see also "The Board of Directors and Committees - Committees of the Board" in this Proxy Statement.

The members of the Audit Committee are not professionally engaged in the practice of accounting or auditing and are not experts in the fields of accounting or auditing, including in respect of accountant's independence. The Board of Directors has determined that Ms. Pisano and Mr. Sopp are Audit Committee financial experts as defined by Item 401(h) of Regulation S-K of the Securities Act of 1933, as amended. The Audit Committee relies on the expertise and knowledge of management, the internal auditor, and the independent auditor in carrying out its oversight responsibilities. KeyW management is responsible for the preparation and integrity of KeyW's financial statements, the financial reporting process, including evaluating the effectiveness of KeyW's disclosure controls and procedures and internal control over financial reporting. The Audit Committee's responsibility is to monitor and review these processes. It is not the Audit Committee's duty or responsibility to conduct auditing or accounting reviews or procedures. In addition, management has responsibility for the Company's compliance with legal and regulatory requirements.

KeyW's independent registered public accounting firm, Deloitte & Touche LLP is responsible for performing an independent audit of KeyW's annual consolidated and combined financial statements, expressing an opinion on the conformity of the financial statements with U.S. generally accepted accounting principles, and, when applicable, expressing an opinion as to the effectiveness of internal control over financial reporting in accordance with the Standards of the Public Company Accounting Oversight Board (PCAOB).

Audit Committee

Mark W. Sopp, Chairperson

Shephard W. Hill

Arthur L. Money

Caroline S. Pisano

You should not consider this report to be "soliciting materials" or to be "filed" with the SEC. It also is not subject to the liabilities of Section 18 of the Exchange Act. In addition, this report shall not be deemed to be incorporated by reference into any prior or subsequent filing by the Company under the federal securities laws.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Company uses Deloitte & Touche LLP (“Deloitte”) as its principal accountant.

Representatives of Deloitte will be present at the Annual Meeting, will have the opportunity to make a statement if they desire, and will be available to respond to appropriate questions.

On March 17, 2017, the Audit Committee dismissed Grant Thornton LLP (“Grant”) as the Company’s principal accountant. On March 17, 2017, the Audit Committee approved the appointment of Deloitte to serve as the Company’s principal accountant with respect to the years ending December 31, 2017 and December 31, 2018, respectively.

The following table shows the fees that were billed to the Company for professional services rendered by Deloitte and Grant (prior to its dismissal) for the fiscal years ended December 31, 2018 and December 31, 2017, respectively:

Fee Category (In thousands)	2018			2017		
	Deloitte	Grant	Total	Deloitte	Grant	Total
Audit Fees	\$3,658	\$ 177	\$3,835	\$3,324	\$ 588	\$3,912
Audit Related Fees	—	—	—	—	—	—
Tax Fees	—	—	—	—	—	—
All Other Fees	2	—	2	—	—	—
Total Fees	\$3,660	\$ 177	\$3,837	\$3,324	\$ 588	\$3,912

Audit Fees

This category includes professional services rendered for the audit of the Company’s annual consolidated financial statements (including services incurred with rendering an opinion under Section 404 of the Sarbanes-Oxley Act of 2002) and review of the Company’s quarterly consolidated financial statements. Audit fees also include services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements, and similar engagements for the fiscal year, such as consents and assistance with review of documents filed with the SEC as well as with review of offering documents and provision of comfort letters to underwriters in connection with the Company’s common stock offering.

Audit-Related Fees

This category includes fees for assurance and related services that are reasonably related to the performance of the audit or review of Company's consolidated financial statements or internal control over financial reporting. This category may include fees related to the performance of audits and attest services not required by statute or regulations, due diligence related to mergers, acquisitions, and investments, and accounting consultations about the application of U.S. GAAP to proposed transactions.

Tax Fees

This category generally consists of tax compliance and return preparation, and tax planning and advice. Tax compliance and return preparation services consist of preparing original and amended tax returns and claims for refunds. Tax planning and advice services consist of support during income tax audits or inquiries.

All Other Fees

This category consists of permitted services other than those that meet the criteria above and are for the purchase of subscription to accounting-related research software.

Pre-Approval of Services

The Audit Committee pre-approves all services, including both audit and non-audit services, provided by the Company's independent accountants. For audit services, each year the independent auditor provides the Committee with an engagement letter outlining the scope of the audit services proposed to be performed during the year, which must be formally accepted by the Committee before the audit commences. The independent auditor also submits an audit services fee proposal, which also must be approved by the Committee before the audit commences.

OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act, requires the Company's officers and directors, and persons who own more than 10% of a registered class of the Company's equity securities to file reports of ownership and changes in ownership of equity securities of the Company with the SEC and to furnish the Company with copies of all Section 16(a) forms that they file.

Based solely upon a review of Forms 3 and Forms 4 furnished to the Company pursuant to Rule 16a-3 under the Exchange Act during its most recent fiscal year and Forms 5 with respect to its most recent fiscal year, the Company believes that all such forms required to be filed pursuant to Section 16(a) of the Exchange Act were timely filed by the respective reporting persons during the fiscal year ended December 31, 2018

Other Business

The Company knows of no other matters to be brought before the Annual Meeting. If any other matter requiring a vote of the stockholders is properly brought before the Annual Meeting, it is the intention of the persons appointed as proxies to vote with respect to any such matter in accordance with their best judgment.

It is important that proxies be returned promptly. Stockholders, whether or not they expect to attend the Annual Meeting in person, are urged to complete, sign and return the accompanying Proxy in the enclosed envelope which requires no postage if mailed in the United States or use the internet to transmit voting instructions at www.proxyvote.com.

Stockholder Proposals for the 2020 Annual Meeting

All stockholder proposals intended to be considered for inclusion in the Company's proxy materials for the 2020 Annual Meeting of Stockholders (the "2020 Annual Meeting") must be received by the Company not later than December 6, 2019 and must otherwise comply with the rules of the SEC for inclusion in the Company's Proxy Statement and form of proxy relating to that meeting. Proposals should be delivered to The KeyW Holding Corporation, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076, Attention: Corporate Secretary.

Except in the case of proposals made in accordance with Rule 14a-8, stockholders intending to bring any business before the 2020 Annual Meeting must deliver written notice thereof to the Secretary of the Company not less than 120

days prior to the first anniversary of the date of the Proxy Statement for the preceding year's Annual Meeting of stockholders (which will be December 6, 2019), nor earlier than 150 days prior to the first anniversary date of the Proxy Statement for the preceding year's Annual Meeting of Stockholders (which will be November 6, 2019). If a stockholder gives notice of such a proposal outside such window, the Company's proxy holders will be allowed to use their discretionary voting authority to vote against the stockholder proposal when and if the proposal is raised at the 2020 Annual Meeting.

Annual Report and Consolidated Financial Statements

A copy of the Company's 2018 Annual Report accompanies this Proxy Statement. Such report is not part of the proxy solicitation materials.

Householding

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are stockholders of the Company may be "householding" our proxy materials. A single Proxy Statement and 2018 Annual Report may be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once a stockholder has received notice from its broker that it will be "householding" communications to such stockholder's address, "householding" will continue until such stockholder is notified otherwise or until such stockholder notifies its broker or us that it no longer wishes to participate in "householding." If, at any time, a stockholder no longer wishes to participate in "householding" and would prefer to receive a separate copy of the Proxy Statement and 2018 Annual Report and/or wishes to receive separate copies of these documents in the future such stockholder may (1) notify its broker or (2) direct its written or oral request to: The KeyW Holding Corporation, 7740 Milestone Parkway, Suite 400, Hanover, MD 21076, Attention: Corporate Secretary, 443-733-1600. Upon written or oral request, we will deliver promptly a separate copy of the Proxy Statement and 2018 Annual Report to any stockholder at a shared address to which a single copy of any of these documents was delivered.

Two or more stockholders sharing an address can request delivery of a single copy of the Proxy Statement and 2018 Annual Report if they are receiving multiple copies by contacting the KeyW Holding Corporation in the manner set forth above.

Reference Documents

UPON RECEIPT OF A WRITTEN REQUEST, THE COMPANY WILL FURNISH TO ANY STOCKHOLDER, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018 AND THE EXHIBITS THERETO REQUIRED TO BE FILED WITH THE

SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES EXCHANGE ACT OF 1934. SUCH WRITTEN REQUEST SHOULD BE DIRECTED TO THE KEYW HOLDING CORPORATION, 7740 MILESTONE PARKWAY, SUITE 400, HANOVER, MD 21076, ATTENTION: CORPORATE SECRETARY. EXCEPT FOR THE INFORMATION INCORPORATED BY REFERENCE FROM THE FORM 10-K DESCRIBED ABOVE, THE FORM 10-K IS NOT PART OF THE PROXY SOLICITATION MATERIALS.

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ANNEX A

Non-GAAP Financial Measures - Adjusted EBITDA

Adjusted EBITDA, as defined by KeyW, is a financial measure that is not calculated in accordance with accounting principles generally accepted in the United States of America, ("U.S. GAAP"). The adjusted EBITDA reconciliation table below provides a reconciliation of these non-U.S. GAAP financial measures to net (loss) income, the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP. Adjusted EBITDA should not be considered as an alternative to net income, operating income or any other measure of financial performance calculated and presented in accordance with U.S. GAAP. Our adjusted EBITDA may not be comparable to similarly titled measures of other companies because other companies may not calculate adjusted EBITDA or similarly titled measures in the same manner as we do. We prepare adjusted EBITDA to eliminate the impact of items that we do not consider indicative of our core operating performance. We encourage you to evaluate these adjustments and the reasons we consider them appropriate.

We believe adjusted EBITDA is useful to investors in evaluating our operating performance for the following reasons:

- we have various non-recurring transactions and expenses that directly impact our net (loss) income. Adjusted EBITDA is intended to approximate the net cash provided by operations by adjusting for non-recurring or non-operating items; and
- securities analysts use adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies.

Our Board of Directors and management use adjusted EBITDA:

- as a measure of operating performance;
- to determine a significant portion of management's incentive compensation;
- for planning purposes, including the preparation of our annual operating budget; and
- to evaluate the effectiveness of our business strategies.

Although adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results of operations as reported under U.S. GAAP. Some of these limitations are:

- adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or other contractual commitments;
- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- adjusted EBITDA does not reflect interest expense or interest income;
- adjusted EBITDA does not reflect cash requirements for income taxes;
- adjusted EBITDA does not include non-cash expenses related to share-based compensation;
- adjusted EBITDA does not include acquisition costs and integration costs;
- adjusted EBITDA does not include non-cash loss on extinguishment of debt;
- adjusted EBITDA does not include asset impairment charges;
- adjusted EBITDA does not include other adjustments which are non-recurring expense;
- although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for these replacements; and
- other companies in our industry may calculate adjusted EBITDA or similarly titled measures differently than we do, limiting its usefulness as a comparative measure.

THE KEYW HOLDING CORPORATION AND SUBSIDIARIES**Adjusted EBITDA Reconciliation Table****(in thousands and unaudited)**

	Twelve months ended December 31,	
	2018	2017 ⁽¹⁾
Net (loss)	\$ (22,280)	\$ (13,389)
Depreciation	11,768	10,700
Intangible amortization	12,120	11,416
Share based compensation	4,908	4,228
Loss on extinguishment of debt	11,676	—
Interest expense, net	23,407	17,015
Income tax benefit	(4,734)	(10,862)
Acquisition and integration costs	2,578	21,046
Other adjustments	10,191	—
Adjusted EBITDA	\$ 49,634	\$ 40,154

(1) The balances for the twelve months ended December 31, 2017, have been revised to reflect the correction of certain errors that management has determined are not material.

Directions

KeyW's Corporate Headquarters

7740 Milestone Parkway, Suite 400

Hanover, MD 21076

Main 443-733-1600

From Points North

- Take MD-295 South / Baltimore Washington Parkway
- Take the Exit for Arundel Mills Boulevard
- Turn onto Arundel Mills Boulevard
- Take the 1st right onto Milestone Parkway
- Take the 1st right into the parking area

From Points South

- Take MD-295 North / Baltimore Washington Parkway
- Take the Exit for Arundel Mills Boulevard
- Turn right onto Arundel Mills Boulevard
- Take the 1st right onto Milestone Parkway
- Take the 1st right into the parking area

From Baltimore/Washington International Airport

- Take I-195 West

From Points East

- Take SR-100 West toward Ellicott City
- Take Exit 9A for MD-295 South / Baltimore Washington Parkway
- Take the Exit for Arundel Mills Boulevard
- Turn onto Arundel Mills Boulevard
- Take the 1st right onto Milestone Parkway
- Take the 1st right into the parking area

From Points West

- Take SR-100 East toward Ellicott City
- Take Exit 9A for MD-295 South / Baltimore Washington Parkway
- Take the Exit for Arundel Mills Boulevard
- Turn onto Arundel Mills Boulevard
- Take the 1st right onto Milestone Parkway
- Take the 1st right into the parking area

- Take Exit 2N for MD-295 South / Baltimore Washington Parkway
- Take the Exit for Arundel Mills Boulevard
- Turn onto Arundel Mills Boulevard
- Take the 1st right onto Milestone Parkway
- Take the 1st right into the parking area

KeyW Innovation Beyond Expectation THE KEYW HOLDING CORPORATION ATTN: PHIL LUCI 7740
MILESTONE PARKWAY, SUITE 400 HANOVER, MD 21076 VOTE BY INTERNET - www.proxyvote.com Use
the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern
Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and
follow the instructions to obtain your records and to create an electronic voting instruction form. ELECTRONIC
DELIVERY OF FUTURE PROXY MATERIALS If you would like to reduce the costs incurred by our company in
mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports
electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote
using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in
future years. VOTE BY PHONE - 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions
up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when
you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the
postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way,
Edgewood, NY 11717. TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:
E72635-P23567 KEEP THIS PORTION FOR YOUR RECORDS THIS PROXY CARD IS VALID ONLY WHEN
SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY THE KEYW HOLDING CORP
(KEYW) The Board of Directors recommends you vote FOR the following: 1. Election of Directors For Against
Abstain Nominees: 1a. DEBORAH BONANNI ••• 1b. BILL CAMPBELL ••• 1c. SHEP HILL ••• 1d. CHRIS INGLIS •••
1e. KEN MINIHAN ••• 1f. ART MONEY ••• 1g. CAROLINE PISANO ••• 1h. MARK SOPP ••• 1i. BILL WEBER ••• T
Board of Directors recommends you vote FOR proposals 2 and 3: For Against Abstain 2. Ratify the appointment of
Deloitte & Touche LLP as the independent registered public accounting firm for the Company. ••• 3. Approve, on a
non-binding advisory basis, the compensation of the Company's named executive officers. ••• NOTE: Act upon such
other business as may properly come before the Annual Meeting. Yes No Please indicate if you plan to attend this
meeting. •• Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or
other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a
corporation or partnership, please sign in full corporate or partnership name by authorized officer. Signature [PLEASE
SIGN WITHIN BOX] Date Signature (Joint Owners) Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com. E72636-P23567 THE KEYW HOLDING CORPORATION 7740 Milestone Parkway, Suite 400, Hanover, Maryland 21076 THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS ANNUAL MEETING OF STOCKHOLDERS - MAY 9, 2019 The undersigned hereby appoints Bill Weber, Mike Alber and Phil Luci, and each of them severally, as proxies of the undersigned, each with full power of substitution, to represent the undersigned at, and to vote all shares of common stock of The KeyW Holding Corporation which the undersigned may be entitled to vote at the Annual Meeting of Stockholders of The KeyW Holding Corporation to be held on May 9, 2019 at KeyW Corporate Headquarters, 7740 Milestone Parkway, Suite 400, Hanover, Maryland at 12:00 p.m. Eastern Time ("ET"), and at any adjournment or adjournments of such meeting, with all powers which the undersigned would possess if personally present, in accordance with the instructions set forth on this proxy, and, in their discretion, to vote such shares on any other business as may properly come before the meeting and on matters incident to the conduct of the meeting. Any proxy heretofore given by the undersigned with respect to such shares is hereby revoked. THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR, FOR THE RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, AND FOR THE SAY ON PAY PROPOSAL. Continued and to be signed on reverse side