

**UTSTARCOM HOLDINGS CORP.**  
**COMPENSATION COMMITTEE CHARTER**

(Adopted as of April 25, 2013)

***Purpose***

The primary purpose of the Committee is to assist the Board of Directors (the “**Board**”) of UTStarcom Holdings Corp. (the “**Company**”) with the discharge of its responsibilities relating to all compensation, including equity compensation, of the Company’s executives and the administration of the Company’s employee benefit plans. The Committee shall assist the Board in administering and overseeing (i) the Company’s compensation policies, plans and benefits programs, (ii) the compensation of the Company’s executive officers and (iii) the administration of the Company’s employee benefit plans.

***Composition***

1. **Members.** The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three members. The members of the Committee shall be appointed annually by the Board.
  
2. **Qualifications.** Each member of the Committee shall be independent in accordance with the rules of the Nasdaq Stock Market (“**Nasdaq**”) and Rule 10C-1(b)(1) under the Securities Exchange of 1934, as amended (the “**Exchange Act**”). Each member of the Committee shall also be a “non-employee director” within the meaning of the rules promulgated under Section 16(b) of the Exchange Act, as amended (“**Section 16**”) and an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (“**Section 162(m)**”); provided, however, that a failure to meet any of such requirements shall not invalidate decisions made, or actions taken, by the Committee.

The members of the Committee may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or a subsidiary of the Company, other than fees received for board or committee service or fixed amounts of compensation received under a retirement plan, including deferred compensation, for prior service with the Company, provided that such compensation is not contingent in any way on continued service.

3. **Chair.** The Chair of the Committee shall be appointed by the Board.
  
4. **Removal and Replacement.** The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled, by the Board in its discretion. In addition, membership on the Committee shall automatically end at such time as the Board determines that a member (i) ceases to be independent in accordance with the rules of Nasdaq and Rule 10C-1(b)(1) under the Exchange Act, (ii) ceases to be a “non-employee director” for purposes of Section 16, or (iii) ceases to be an “outside director” for purposes of Section 162(m).

### *Operations*

1. Meetings. The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee shall have the authority to invite management to attend meetings of the Committee, but management may not be present during voting or deliberations by the Committee regarding their own compensation or performance.

2. Agenda. The Chair of the Committee shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

3. Report to Board. The Committee shall report periodically, but no less than once annually, to the Board.

4. Self-Evaluation; Assessment of Charter. The Committee shall conduct an annual performance self-evaluation and shall report to the Board the results of the self-evaluation. The Committee shall assess the adequacy of this Charter periodically and recommend any changes to the Board.

### *Authority and Duties*

1. The Committee shall approve and oversee the total compensation package for the Company's executives including, without limitation, their base salaries, annual incentives, deferred compensation, stock options and other equity-based compensation, incentive compensation, special benefits, perquisites, and incidental benefits. The Committee shall make all determinations and take any actions that are reasonably appropriate or necessary in the course of establishing the compensation of the Company's executives.

2. The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, annually evaluate the performance of the Company's Chief Executive Officer in light of those goals and objectives, and set the compensation level of the Company's Chief Executive Officer's based on this evaluation. In determining the long-term incentive component of the Company's Chief Executive Officer's compensation, the Committee shall consider, without limitation, the Company's performance, the value of similar incentive awards to Chief Executive Officers at comparable companies, and the awards given to the Company's Chief Executive Officer in past years.

3. The Committee shall review the results of and procedures for the evaluation of the performance of other executive officers by the Company's Chief Executive Officer.

4. The Committee shall assist in the preparation of disclosures regarding executive compensation to be included in the Company's annual report on Form 20-F.

5. The Committee shall be responsible for approving and periodically reviewing (i) all compensation and benefit plans, programs or other arrangements established or made available exclusively to the executive officers of the Company; (ii) any compensation or benefit plan, program or other arrangement, such as a cash bonus program, established or made available to any service providers of the Company with a material cost to the Company; and (iii) all equity, employee share purchase, retirement savings and disability plans established or made available to any service providers of the Company (collectively, the “**Plans**”). The Committee shall consider the appropriateness of the allocation of benefits under the Plans, whether the Plans are yielding payments and benefits reasonably related to employee performance, and the extent to which the Plans are meeting their intended objectives. Where appropriate, the Committee may amend, modify or terminate (or, if Board action is required, recommend that the Board amend, modify or terminate) any Plan to ensure Company objectives are being met. For each Plan that provides for the administration of the Plan by the Board or a committee of members of the Board, the Committee is the designated administrator of such Plan and is delegated the authority of the Board to the fullest extent permitted under such Plan, unless the Board has expressly designated another person, body or committee as the administrator of such Plan.

6. The Committee shall administer the Plans in accordance with their terms, construe all terms, provisions, conditions and limitations of the Plans and make factual determinations required for the administration of the Plans. The Committee shall also oversee the Company’s creation and implementation of policies and procedures relating to the provision of compensation to service providers under the Plans.

7. The Committee shall review and approve all new employment, consulting, retirement and severance agreements and arrangements proposed for the Company’s executives. The Committee shall periodically evaluate existing agreements with the Company’s executives for continuing appropriateness.

8. The Committee shall oversee the Company’s policies on structuring compensation programs for executive officers to preserve tax deductibility and, as and when required, establish and certify the attainment of performance goals pursuant to Section 162(m).

9. The Committee shall adopt and periodically review a comprehensive statement of executive compensation philosophy, strategy and principles that has the support of management and the Board, and administer the Company’s compensation program fairly and consistently in accordance with these principles.

10. The Committee shall review and approve the peer groups of companies that shall be used for purposes of determining competitive compensation packages.

11. The Committee shall review the Company’s incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee, as it deems appropriate in accordance with applicable laws and regulations. The Committee shall, in its sole discretion, have the power to retain compensation consultants having special competence to assist the Committee in evaluating executive compensation. The Committee may also retain legal counsel, accountants or other advisors as it deems appropriate. The Committee shall have the sole authority to retain and terminate the consultants or advisors and to review and approve the consultant or advisor's fees and other retention terms. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the compensation consultant, legal counsel or other advisors retained by the Committee.

Before selecting any compensation consultant, legal counsel (other than in-house legal counsel) or other adviser to be retained by it, the Committee shall evaluate that person's independence from management by considering the following factors:

- the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
- the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser as a percentage of such person or entity's total revenue;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- any stock of the Company owned by the compensation consultant, legal counsel or other adviser;
- any business or personal relationship of the compensation consultant, legal counsel or the person employing the adviser with an executive officer of the Company; and
- any other factors the Committee deems relevant to its assessment of the independence of the compensation consultant, legal counsel or other adviser,

*provided however*, that the Committee is not required to assess the independence of any compensation consultant or other adviser that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or adviser, and about which the consultant or adviser does not provide advice.