

VIASAT INC
Form DEF 14A
August 14, 2006

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

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 Under Rule 14a-12

VIASAT, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.

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**6155 El Camino Real
Carlsbad, California 92009
NOTICE OF ANNUAL MEETING OF
STOCKHOLDERS AND PROXY STATEMENT**

Dear Fellow Stockholder:

The annual meeting of stockholders of ViaSat, Inc. will be held at the corporate offices of ViaSat at 6155 El Camino Real, Carlsbad, California on October 4, 2006 at 8:00 a.m. for the following purposes:

1. Elect two (2) directors for a three-year term to expire at the 2009 annual meeting of stockholders. Based upon the recommendation of ViaSat's nominating and corporate governance committee, the present Board of Directors of ViaSat has nominated and recommends for election as directors the following persons:

Dr. Robert Johnson

John P. Stenbit

2. Approve the Third Amended and Restated 1996 Equity Participation Plan of ViaSat, Inc. to, among other things, increase the share reserve by 3,000,000 shares.

3. Transact any other business that may properly come before our annual meeting or any adjournment or postponement of the meeting.

The Board of Directors has fixed the close of business on August 11, 2006 as the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting and at any adjournment or postponement of the meeting.

Accompanying this notice of annual meeting is a proxy. **Whether or not you expect to attend the annual meeting, please complete, sign and date the enclosed proxy and return it promptly.** If you plan to attend the annual meeting and wish to vote your shares personally, you may do so at any time before the proxy is voted.

All stockholders are cordially invited to attend the annual meeting.

By Order of the Board of Directors

Mark D. Dankberg
*Chairman of the Board
and Chief Executive Officer*

Carlsbad, California
August 14, 2006

Your vote is important. Please vote your shares whether or not you plan to attend the meeting.

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**6155 El Camino Real
Carlsbad, California 92009
NOTICE OF ANNUAL MEETING OF
STOCKHOLDERS AND PROXY STATEMENT**

The Board of Directors of ViaSat, Inc. is soliciting the enclosed proxy for use at the annual meeting of stockholders to be held on October 4, 2006 at 8:00 a.m. at the corporate offices of ViaSat, 6155 El Camino Real, Carlsbad, California.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Why did you send me this proxy statement?

We sent you this proxy statement and the enclosed proxy card because ViaSat's Board of Directors is soliciting your proxy to vote at the 2006 annual meeting of stockholders. This proxy statement summarizes the information you need to know to vote at the annual meeting. All stockholders who find it convenient to do so are cordially invited to attend the annual meeting in person. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

We intend to begin mailing this proxy statement, the attached notice of annual meeting and the enclosed proxy card on or about August 17, 2006 to all stockholders of record entitled to vote at the annual meeting. Only stockholders who owned ViaSat common stock at the close of business on August 11, 2006 are entitled to vote at the annual meeting. On this record date, there were 28,576,116 shares of ViaSat common stock outstanding. Common stock is our only class of stock entitled to vote. We are also sending along with this proxy statement our 2006 fiscal year Annual Report, which includes our financial statements.

What am I voting on?

Proposal 1: Election of Directors. The election of two (2) directors to serve a three-year term. Based upon the recommendation of ViaSat's nominating and corporate governance committee, the present Board of Directors of ViaSat has nominated and recommends for election as directors the following persons:

Dr. Robert W. Johnson

John P. Stenbit

Proposal 2: Approval of the Equity Plan. To consider and vote upon a proposal to approve the Third Amended and Restated Equity Participation Plan of ViaSat, Inc. (the Equity Plan), which, if approved, will:

Increase the number of shares authorized for issuance under the Equity Plan by 3,000,000 shares.

Reduce the term for all grants of options and stock appreciation rights from ten years to six years.

Require grants of restricted stock, performance awards, dividend equivalents, deferred stock and stock payments with a share purchase price less than fair market value on the date of grant be counted as the grant of two shares for every one share actually granted (for purposes of the calculating the total number of shares available for grant under the Equity Plan).

Further clarify the prohibition on option repricing, the exchange of an option for a lower priced option, or modifications to options where the effect would be to reduce the exercise price of an option.

Eliminate the ability to recycle (i.e., re-grant) shares under the Equity Plan that are delivered by the grantee or withheld by ViaSat as payment of the exercise price in connection with the exercise of an option or other award.

Reduce the vesting for annual option grants made to our Board of Directors from three years to one year.

Require that awards of restricted stock will vest no more rapidly than three years (except for restricted stock performance awards, which will vest no more rapidly than one year).

Add an individual award limit of 150,000 shares per fiscal year for grants of restricted stock, performance awards, dividend equivalents, deferred stock, and stock payments (except for grants made upon initial service of an employee, which have an award limit of 300,000 shares).

Add an individual award limit of \$1.0 million per fiscal year for awards paid in cash.

How many votes do I have?

Each share of ViaSat common stock that you own as of the close of business on August 11, 2006 entitles you to one vote.

How do I vote by proxy?

Whether you plan to attend the annual meeting or not, we urge you to complete, sign and date the enclosed proxy card and to return it promptly in the envelope provided. Returning the proxy card will not affect your right to attend or vote at the meeting.

If you properly complete your proxy card and send it to us in time to vote, your proxy (i.e., one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your shares will be voted as recommended by the Board of Directors.

If any other matter is presented at the annual meeting, your proxy (one of the individuals named on your proxy card) will vote in accordance with his best judgment. As of the date of this proxy statement, we knew of no matters that needed to be acted on at the meeting, other than those discussed in this proxy statement.

May I revoke my proxy?

If you give us your proxy, you may revoke it at any time before it is exercised. You may revoke your proxy in any one of the three following ways:

You may send in another signed proxy with a later date,

You may notify ViaSat's corporate secretary, Gregory D. Monahan, in writing before the annual meeting that you have revoked your proxy, or

You may notify ViaSat's corporate secretary in writing before the annual meeting and vote in person at the meeting.

How do I vote in person?

If you plan to attend the annual meeting and vote in person, we will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on August 11, 2006, the record date for voting.

Can I vote via the Internet or by telephone?

If your shares are registered in the name of a bank or brokerage firm, you may be eligible to vote your shares electronically over the Internet or by telephone. A large number of banks and brokerage firms offer Internet and telephone voting. If your bank or brokerage firm does not offer Internet or telephone voting

information, please complete and return your proxy card in the self-addressed, postage-paid envelope provided.

What constitutes a quorum?

The presence at the annual meeting, in person or by proxy, of a majority of our outstanding common stock, or approximately 14,288,059 shares, constitutes a quorum at the meeting, permitting us to conduct our business.

What vote is required to approve each proposal?

Proposal 1: Election of Directors. The two nominees for director that receive the most votes will be elected.

Proposal 2: Approval of Equity Plan. The approval of the amendment to the Equity Plan will require the affirmative vote of a majority of the shares of common stock present or represented by proxy and entitled to vote at the annual meeting.

Voting results will be tabulated and certified by our transfer agent, Computershare Investor Services LLC.

What is the effect of abstentions and broker non-votes?

Shares held by persons attending the annual meeting but not voting, and shares represented by proxies that reflect abstentions as to a particular proposal will be counted as present for purposes of determining the presence of a quorum. Abstentions are treated as shares present in person or by proxy and entitled to vote, so abstaining has the same effect as a negative vote for purposes of determining whether our stockholders have approved the amendment to the Equity Plan. However, because directors are elected by a plurality of votes cast, abstentions will not be counted in determining which nominees received the largest number of votes at the annual meeting.

Shares represented by proxies that reflect a broker non-vote will be counted for purposes of determining whether a quorum exists. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received instructions from the beneficial owner and does not have discretionary authority to vote the shares. As a result, broker non-votes will not be counted for purposes of determining whether our stockholders have approved the amendment to the Equity Plan. In addition, because directors are elected by a plurality of votes cast, broker non-votes will not be counted in determining which nominees received the largest number of votes at the annual meeting.

What are the costs of soliciting these proxies?

We will pay all of the costs of soliciting these proxies. Our directors and employees may solicit proxies in person or by telephone, fax or email. We will pay these employees and directors no additional compensation for these services. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to their principals and to obtain authority to execute proxies. We will then reimburse them for their expenses.

How do I obtain an Annual Report on Form 10-K?

If you would like a copy of our Annual Report on Form 10-K for the fiscal year ended March 31, 2006 that we filed with the Securities and Exchange Commission (SEC), we will send you one without charge. Please write to:

Investor Relations

ViaSat, Inc.

6155 El Camino Real, Carlsbad, California 92009

or

ir@viasat.com

**PROPOSAL 1:
ELECTION OF DIRECTORS**

Our Board of Directors is divided into three classes, with one class of our directors standing for election each year, generally for a three-year term. You are requested to vote for two nominees for director, whose terms expire at this annual meeting and who will be elected for a new three-year term and until their successors are elected and qualified. The nominees are Dr. Robert W. Johnson and Mr. John P. Stenbit.

If no contrary indication is made, proxies in the accompanying form are to be voted for Dr. Johnson and Mr. Stenbit or in the event that Dr. Johnson or Mr. Stenbit is not a candidate or is unable to serve as a director at the time of the election (which is not currently expected), for any nominee who is designated by our Board of Directors to fill the vacancy. Dr. Johnson and Mr. Stenbit are members of our present Board of Directors.

**NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS
For a Three-Year Term Expiring at the
2009 Annual Meeting of Stockholders**

| Name | Age | Present Position with ViaSat |
|-----------------------|-----|------------------------------|
| Dr. Robert W. Johnson | 56 | Director |
| John P. Stenbit | 66 | Director |

DR. ROBERT W. JOHNSON has been a director of ViaSat since 1986. Dr. Johnson has worked in the venture capital industry since 1980, and has acted as an independent investor since 1988. Dr. Johnson currently serves as a director of Hi/fn Inc., a publicly-held company that manufactures semiconductors and software for networking and data storage industries. Dr. Johnson holds B.S. and M.S. degrees in Electrical Engineering from Stanford University and M.B.A. and D.B.A. degrees from Harvard Business School.

JOHN P. STENBIT has been a director of ViaSat since August 2004. From 2001 to his retirement in March 2004, Mr. Stenbit served as the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (C3I) and later as Assistant Secretary of Defense of Networks and Information Integration/ Department of Defense Chief Information Officer, the C3I successor organization. From 1977 to 2001, Mr. Stenbit worked for TRW, retiring as Executive Vice President. Mr. Stenbit was a Fulbright Fellow and Aerospace Corporation Fellow at the Technische Hogeschool, Eindhoven, Netherlands. Mr. Stenbit has chaired the Science Advisory Panel to the Director for the Administrator of the Federal Aviation Administration. Mr. Stenbit currently serves on the board of directors of the following publicly-held companies: SM&A Corporation, Cogent, Inc, SI International, and Loral Space & Communications, Inc. (Loral). He is also on the board of directors of The Mitre Corp. a private, not-for-profit corporation. Mr. Stenbit also serves in the Defense Science Board, the Technical Advisory Group of the National Reconnaissance Office, the Advisory Board of the National Security Agency, the Science Advisory Group of the US Strategic Command and the Naval Studies Board. He also does consulting for various Government and commercial clients.

**MEMBERS OF THE BOARD OF DIRECTORS CONTINUING IN OFFICE
Term Expiring at the 2007 Annual Meeting of Stockholders**

| Name | Age | Present Position with ViaSat |
|---------------------|-----|------------------------------|
| B. Allen Lay | 71 | Director |
| Dr. Jeffrey M. Nash | 58 | Director |

B. ALLEN LAY has been a director of ViaSat since 1996. From 1983 to 2001, he was a General Partner of Southern California Ventures, a venture capital company. From 2001 to the present he has acted as a consultant to the venture capital industry. Mr. Lay is currently a director of Physical Optics Corporation, a privately-held optical systems company; Oncotech, Inc., a privately-held medical diagnostic company; NPI, LLC, a privately-held developer

and supplier of proprietary and patentable ingredients for dietary supple-

ments; Luminit, LLC, a privately-held light shaping film company; and Canley Lamps, LLC, a privately-held manufacturer of specialty light bulbs.

DR. JEFFREY M. NASH has been a director of ViaSat since 1987. From 1994 until 2003, he served as President of Digital Perceptions Inc., a privately-held consulting and software development firm serving the defense, remote sensing, communications, aviation and commercial computer industries. Since September 2003, he has been President and Chairman of Inclined Plane Inc., a privately-held consulting and intellectual property development company serving the defense, communications and media industries. In addition to his role at ViaSat, Dr. Nash serves as a director of two San Diego-based companies: Pepperball Technologies, Inc., a privately-held manufacturer of non-lethal personal defense equipment for law enforcement, security and personal defense applications and REMEC, Inc., which is now in dissolution.

Term Expiring at the 2008 Annual Meeting of Stockholders

| Name | Age | Present Position with ViaSat |
|--------------------|------------|--------------------------------------|
| Mark D. Dankberg | 51 | Chairman and Chief Executive Officer |
| Michael B. Targoff | 61 | Director |
| Harvey P. White | 72 | Director |

MARK D. DANKBERG was a founder of ViaSat and has served as Chairman of the Board and Chief Executive Officer of ViaSat since its inception in May 1986. Mr. Dankberg also serves as a director of TrellisWare Technologies, Inc., a privately-held subsidiary of ViaSat that develops advanced signal processing technologies for communication applications. Mr. Dankberg is a director and member of the Audit committee of REMEC, Inc., which is now in dissolution. Prior to founding ViaSat, he was Assistant Vice President of M/ A-COM Linkabit, a manufacturer of satellite telecommunications equipment, from 1979 to 1986, and Communications Engineer for Rockwell International Corporation from 1977 to 1979. Mr. Dankberg holds B.S.E.E. and M.E.E. degrees from Rice University.

MICHAEL B. TARGOFF has been a director of ViaSat since February 2003. Mr. Targoff has served as chief executive officer of Loral since February 2006 and as the Vice Chairman of Loral's Board of Directors and on the executive and Compensation and Human Resources Committees since November 2005. Mr. Targoff originally joined Loral Space & Communications Limited in 1981 and served as senior vice president and general counsel until January 1996, when he was elected President and chief operating officer of Loral. In 1998, he founded Michael B. Targoff & Co., which invests in telecommunications and related industry early stage companies. Mr. Targoff is chairman of the board and chairman of the audit committee of CPI International, Inc, a publicly-held company and a director and chairman of the audit committee of Leap Wireless International, Inc., a publicly-held company. Mr. Targoff is also chairman of the board of directors of three small private telecom companies. Prior to joining Loral in 1981, Mr. Targoff was a partner in the New York City law firm, Willkie Farr & Gallagher. Mr. Targoff holds a B.A. degree from attended Brown University and a J.D. degree from the Columbia University School of Law, where he was a Hamilton Fisk Scholar and editor of the Columbia Journal of Law and Social Problems.

HARVEY P. WHITE has been a director of ViaSat since May 2005. Since June 2004, Mr. White has served as Chairman of (SHW)2 Enterprises, a business development and consulting firm. From September 1998 through June 2004, Mr. White served as Chairman and Chief Executive Officer of Leap Wireless International, Inc. Prior to that, Mr. White was a co-founder of QUALCOMM Incorporated where he held various positions including director, President, and Chief Operating Officer. Mr. White attended West Virginia Wesleyan College and Marshall University where he received a B.A. degree in Economics.

Board Independence

As required under the Nasdaq Stock Market qualification standards, our Board of Directors has affirmatively determined that, with the exception of Mr. Dankberg, each of our board members is an independent director within the meaning of the applicable Nasdaq Stock Market qualification standards. Mr. Dankberg is not considered independent because he is an executive officer of ViaSat.

Board Meetings

During the fiscal year 2006, our Board of Directors met eight times including telephonic meetings. In that year, each director attended at least 75% of the aggregate of all meetings held by our Board of Directors and all meetings held by all committees of our Board of Directors on which the director served. As required under Nasdaq Stock Market qualification standards, our independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

Committees of the Board

ViaSat has four standing committees: the Audit Committee, the Compensation and Human Resources Committee, the Banking/Finance Committee and the Nominating and Corporate Governance Committee. Each of these committees has a written charter approved by the Board of Directors. A copy of each charter can be found under the Investor Relations-Corporate Governance section of our website at www.viasat.com. The members of the committees are identified in the following table.

| Director | Audit Committee | Compensation and Human Resources Committee | Banking/Finance Committee | Nominating and Corporate Governance Committee |
|--------------------|-----------------|--|---------------------------|---|
| Mark D. Dankberg | | | X | |
| Dr. Robert Johnson | X | | | X |
| B. Allen Lay | Chair | | X | |
| Dr. Jeffrey Nash | X | Chair | | |
| John P. Stenbit | | X | | X |
| Michael B. Targoff | | | Chair | Chair |
| Harvey P. White | X | X | | |

Audit Committee

The Audit Committee of ViaSat's Board of Directors currently consists of Dr. Johnson, Mr. Lay (chair), Dr. Nash and Mr. White. The Audit Committee met eight times (including telephonic meetings) during fiscal year 2006. All members of the Audit Committee are independent directors, as defined in the Nasdaq Stock Market qualification standards and by Section 10A of the Securities Exchange Act, as amended (the Exchange Act). ViaSat's Board of Directors has determined that each of the four members of our Audit Committee is an audit committee financial expert as that phrase is defined under the regulations promulgated by the SEC. The Audit Committee is governed by a written charter adopted by ViaSat's Board of Directors. A copy of the Audit Committee charter is attached as Appendix B to this Proxy Statement. The functions of the Audit Committee include:

meeting with ViaSat's management periodically to consider the adequacy of its internal controls and the quality and objectivity of ViaSat's financial reporting;

meeting with ViaSat's external auditor and with internal financial personnel regarding these matters;

overseeing the independence and performance of ViaSat's external auditor and recommending to ViaSat's Board of Directors the engagement of ViaSat's external auditor;

establishing procedures for the receipt, retention and treatment of complaints received by ViaSat regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

reviewing ViaSat's audited and unaudited published financial statements and reports and discussing the statements and reports with ViaSat's management and our external auditor, including any significant adjustments,

management judgments and estimates, new accounting policies and disagreements with management; and

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reviewing ViaSat's financial plans and reporting recommendations to ViaSat's full Board of Directors for approval and to authorize action.

Both ViaSat's external auditor and internal financial personnel meet privately with the Audit Committee and have unrestricted access to this committee.

Compensation and Human Resources Committee

The Compensation and Human Resources Committee of the Board of Directors currently consists of Dr. Nash (chair), Mr. Stenbit and Mr. White. The Compensation and Human Resources Committee met six times (including telephonic meetings) during fiscal year 2006. All members of the Compensation and Human Resources Committee are independent directors, as defined in the Nasdaq Stock Market qualification standards. The Compensation and Human Resources Committee is governed by a written charter approved by the Board of Directors. The functions of the Compensation and Human Resources Committee include:

reviewing and, as it deems appropriate, recommending to the Board of Directors, policies, practices and procedures relating to the compensation of directors, officers and other managerial employees and the establishment and administration of ViaSat's employee benefit plans;

exercising authority under the employee benefit plans; and

advising and consulting with the officers regarding managerial personnel and development.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee of the Board of Directors currently consists of Dr. Johnson, Mr. Stenbit and Mr. Targoff (chair). The Nominating and Corporate Governance Committee met three times during fiscal year 2006. All members of the Nominating and Corporate Governance Committee are independent directors, as defined in the Nasdaq Stock Market qualification standards. The Nominating and Corporate Governance Committee is governed by a written charter approved by the Board of Directors. The functions of the Nominating and Corporate Governance Committee include:

reviewing and recommending nominees for election as directors and committee members;

overseeing the process for self assessment of the Board of Directors and its committees; and

reviewing and making recommendations to the Board of Directors regarding ViaSat's corporate governance guidelines and procedures and considering other issues relating to corporate governance.

Director Nomination Process

Director Qualifications

In evaluating director nominees, the Nominating and Corporate Governance Committee will consider, among other things, the following factors:

personal and professional integrity, ethics and values;

experience in corporate management, such as serving as an officer or former officer of a publicly held company;

experience in our industry;

experience as a board member of another publicly held company;

diversity of expertise and experience in substantive matters pertaining to our business relative to other board members; and

practical and mature business judgment.

Other than the foregoing, there are no stated minimum criteria for director nominees, although the Nominating and Corporate Governance Committee may also consider such other facts as it may deem are in

the best interests of ViaSat and its stockholders. The Nominating and Corporate Governance Committee does, however, believe it appropriate for at least one, and, preferably, several, members of our Board of Directors to meet the criteria for an audit committee financial expert as defined by SEC rules, and that a majority of the members of our Board of Directors be independent as required by the Nasdaq Stock Market qualification standards.

Identification and Evaluation of Nominees for Directors

The Nominating and Corporate Governance Committee identifies nominees for director by first evaluating the current members of our Board of Directors willing to continue in service. Current members with qualifications and skills that are consistent with the Nominating and Corporate Governance Committee's criteria for Board of Directors service and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of our Board of Directors with that of obtaining a new perspective. If any member of our Board of Directors does not wish to continue in service or if our Board of Directors decides not to re-nominate a member for re-election, the Nominating and Corporate Governance Committee identifies the desired skills and experience of a new nominee in light of the criteria above. The Nominating and Corporate Governance Committee may also poll our Board of Directors and members of management for their recommendations. The Nominating and Corporate Governance Committee may also review the composition and qualification of the boards of directors of our competitors, and may seek input from industry experts or analysts. The Nominating and Corporate Governance Committee reviews the qualifications, experience and background of the candidates. Final candidates are interviewed by the members of the Nominating and Corporate Governance Committee and by certain of our other independent directors and executive management. In making its determinations, the Nominating and Corporate Governance Committee evaluates each individual in the context of our Board of Directors as a whole, with the objective of assembling a group that can best perpetuate the success of ViaSat and represent stockholder interests through the exercise of sound judgment. After review and deliberation of all feedback and data, the Nominating and Corporate Governance Committee makes its recommendation to our Board of Directors. To date, the Nominating and Corporate Governance Committee has not relied on third-party search firms to identify candidates for the ViaSat Board of Directors. The Nominating and Corporate Governance Committee may in the future choose to do so in those situations where particular qualifications are required or where existing contacts are not sufficient to identify an appropriate candidate.

The Nominating and Corporate Governance Committee will consider candidates recommended by any company stockholder who has held our common stock for at least one year and who holds a minimum of 1% of our outstanding shares. The recommending stockholder must submit to ViaSat the following in connection with recommending a candidate:

a detailed resumé of the recommended candidate;

an explanation of the reasons why the stockholder believes the recommended candidate is qualified for service on ViaSat's Board of Directors;

such other information that would be required by the rules of the SEC to be included in a proxy statement;

the written consent of the recommended candidate;

a description of any arrangements or undertakings between the stockholder and the recommended candidate regarding the nomination; and

proof of the recommending stockholder's stock holdings in ViaSat.

Recommendations received by stockholders will be processed and subject to the same criteria as other candidates recommended to the nominating and corporate governance committee.

We have not received director candidate recommendations from our stockholders.

Compensation of Directors

Members of the Board of Directors are reimbursed for expenses actually incurred in attending meetings of the Board of Directors and its committees. Each independent director is paid an annual fee of \$12,000. In addition, each independent director is paid \$2,000 for participation in each regular meeting of the Board of Directors and \$1,000 for participation in each committee meeting as a regular committee member, or \$1,500 for participation in each committee meeting as a committee chairperson. The fee paid to each director for participation via telephone for each regular meeting or each committee meeting is one-half of the regular fee. Each independent director at the time of initial election to the Board of Directors is granted an option to purchase 15,000 shares of ViaSat common stock and on the date of each subsequent annual meeting of stockholders is granted an option to purchase 10,000 shares of ViaSat common stock.

Director Attendance at Annual Meetings

Although ViaSat does not have a formal policy regarding attendance by members of our Board of Directors at our annual meeting, we encourage the attendance of our directors and director nominees at our annual meeting and historically more than a majority have done so. For example, all but two of our directors attended our fiscal year 2005 annual meeting.

Communications with our Board of Directors

Stockholders seeking to communicate with our Board of Directors should submit their written comments to the General Counsel, ViaSat, Inc., 6155 El Camino Real, Carlsbad, California 92009. The General Counsel will forward such communications to each member of our Board of Directors; provided that, if in the opinion of the General Counsel it would be inappropriate to send a particular stockholder communication to a specific director, such communication will only be sent to the remaining directors (subject to the remaining directors concurring with such opinion).

Code of Ethics

ViaSat has established a Guide to Business Conduct (Code of Ethics) that applies to its officers, directors and employees. The Code of Ethics contains general guidelines for conducting ViaSat's business consistent with the highest standards of business ethics, and is intended to qualify as a code of ethics within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and Item 406 of Regulation S-K promulgated by the SEC. ViaSat maintains a copy of the text of the Code of Ethics on its website at www.viasat.com under the Investor Relations-Corporate Governance section.

Corporate Governance

ViaSat maintains a corporate governance page on its website which includes key information about our corporate governance initiatives and practices, including copies of our Corporate Governance Guidelines, the Code of Ethics, Audit Committee Charter, Compensation and Human Resources Committee Charter, Nominating and Corporate Governance Committee Charter as well as our bylaws and corporate charter. ViaSat's corporate governance webpage can be found on our website at www.viasat.com under the Investor Relations-Corporate Governance section. Please note, however, that the information contained on the website is not incorporated by reference in, or considered part of, this proxy statement. We will also provide copies of these documents, free of charge, to any stockholder upon written request to Investor Relations, ViaSat, Inc., 6155 El Camino Real, Carlsbad, California 92009.

Vote Required; Recommendation of the Board of Directors

If a quorum is present and voting at the annual meeting, the two nominees receiving the highest number of votes will be elected to the Board of Directors. Votes withheld from any nominee, abstentions and broker non-votes will be counted only for purposes of determining a quorum.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION OF DR. JOHNSON AND MR. STENBIT. PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE SO VOTED UNLESS YOU SPECIFY OTHERWISE ON YOUR PROXY CARD.

PROPOSAL 2:

APPROVAL OF THIRD AMENDED AND RESTATED EQUITY PARTICIPATION PLAN

At the annual meeting, you will be asked to consider and vote upon a proposal (the Equity Plan Proposal) to approve the Third Amended and Restated Equity Participation Plan of ViaSat, Inc. (the Equity Plan). The Equity Plan was initially adopted by our Board of Directors and approved by our stockholders in October 1996.

The following is only a summary of the Equity Plan and is qualified in its entirety by reference to the full text of the Equity Plan (as proposed to be amended), a copy of which is attached to this proxy statement as Appendix A.

Description of the Changes to the Equity Plan

1. Increase in Number of Shares Available

If the Equity Plan Proposal is approved, it would increase the number of shares of our common stock available for issuance under the Equity Plan by 3,000,000 shares from 7,600,000 shares to 10,600,000 shares.

The Board of Directors believes that our policy of encouraging stock ownership by our officers, employees and directors has been and will continue to be a positive factor in our growth and success by enabling us to attract and retain officers, employees and directors to stimulate their efforts towards achievement of our objectives and to align their interests with those of our stockholders. The Board of Directors proposes to increase the number of shares available for options under the Equity Plan to make certain there are sufficient shares available for options and other awards. At August 11, 2006, there were 478,378 shares available for issuance under the Equity Plan, which the Board believes is insufficient to meet our requirements during the next year. The number of shares needed for future options and other awards is, of course, uncertain and depends on a number of factors, including the number of additional employees hired and directors engaged (which will be related to growth and to employee turnover) and the need to continue to provide equity incentives to existing officers, employees and directors.

The Board of Directors recognizes the possible dilutive effect on our stockholders. However, it believes, on balance, that the incentive that can be provided by the opportunity to participate in ViaSat's growth through the granting of stock options and other awards is important to ViaSat's success and, accordingly, will benefit ViaSat's stockholders and ViaSat's business.

2. Other Changes

The Equity Plan also contains additional features that the Board of Directors believes will more closely align the terms of the Equity Plan with best practices and stockholder interests. In particular, the Equity Plan contains the following changes:

Reduce the term for all grants of options and stock appreciation rights from ten years to six years.

Require that all grants of restricted stock, performance awards, dividend equivalents, deferred stock and stock payments with a share purchase price less than fair market value on the date of grant count

as the grant of two shares for every one share actually granted (for purposes of the calculating the total number of remaining shares available for grant under the Equity Plan). Grants of options and stock appreciation rights will continue to be counted as the grant of one share for each one share actually granted for purposes of calculating the total number of remaining shares available for issuance under the Equity Plan.

Further clarify the prohibition on option repricing, the exchange of an option for a lower priced option, or modifications to options where the effect would be to reduce the exercise price of an option.

Eliminate the ability to recycle (i.e., re-grant) shares under the Equity Plan that are delivered by the grantee or withheld by ViaSat as payment of the exercise price in connection with the exercise of an option or other award.

Reduce the vesting of annual option grants made to our Board of Directors from three years to one year. Initial grants made to new members of our Board of Directors will continue to vest ratably over three years.

Require awards of restricted stock have a minimum vesting of three years (except for restricted stock performance awards, which will have a minimum vesting of one year).

Add an individual award limit of 150,000 shares per fiscal year for grants of restricted stock, performance awards, dividend equivalents, deferred stock, and stock payments (except for grants made upon initial service of an employee, which will have an award limit of 300,000 shares).

Add an individual award limit of \$1.0 million per fiscal year for awards paid in cash.

Equity Plan Summary

The following is a summary of the Equity Plan:

General Nature and Purpose. The Equity Plan was adopted (1) to further our growth, development and financial success by providing additional incentives to some of our key employees who have been or will be given responsibility for the management or administration of our business affairs, by assisting them to become owners of our capital stock and thus to benefit directly from our growth, development and financial success, and (2) to enable us to retain the services of the type of professional, technical and managerial employees considered essential to our long-range success, by providing and offering them the opportunity to become owners of our capital stock. The Equity Plan provides for the grant to our executive officers, other key employees, consultants and non-employee directors of a broad variety of stock-based compensation alternatives such as nonqualified stock options, incentive stock options, restricted stock and performance awards.

Administration. The Compensation and Human Resources Committee of the Board of Directors administers the Equity Plan. In addition to administering the Equity Plan, the Compensation and Human Resources Committee is also authorized to adopt, amend and rescind rules relating to the administration of the Equity Plan.

Shares Subject to Equity Plan. The Equity Plan currently provides for the issuance of up to 7,600,000 shares of our common stock and, if the Equity Plan Proposal is approved, will provide for the issuance of up to 10,600,000 shares of our common stock. No more than 500,000 shares may be subject to options or stock appreciation rights for any one individual per fiscal year. If the Equity Plan Proposal is approved, the Equity Plan will have an individual award limit of 150,000 shares per fiscal year for grants of restricted stock, performance awards, dividend equivalents, deferred stock, and stock payments (except for grants made upon initial service of an employee, which will have an award limit of 300,000 shares). To the extent that an option, or any other right to acquire shares under the Equity Plan, expires or is cancelled, then such shares are added back to the Equity Plan and may re-granted under the Equity Plan. The number of shares subject to the Equity Plan, and the limitations on the number of shares subject to grants and awards under the Equity Plan, may in the discretion of the Compensation and Human Resources Committee be adjusted to reflect changes in our capitalization or certain corporate events which are described more fully in the Equity Plan, but include stock splits, recapitalizations, reorganizations and reclassifications.

Eligibility. Any employee or consultant selected by the Compensation and Human Resources Committee is eligible to receive options under the Equity Plan. The Compensation and Human Resources Committee, in its absolute discretion, will determine (1) among the eligible participants the individuals to whom options, restricted stock purchase rights and performance awards are to be granted, (2) the number of shares to be granted, and (3) the terms and conditions of the grants.

Grant of Options. The Compensation and Human Resources Committee will from time to time, in its absolute discretion, determine (1) the number of shares to be subject to options granted to selected employees and consultants, (2) whether the options are to be incentive stock options or non-qualified stock options, and (3) the terms and conditions of the options, in a manner consistent with the Equity Plan.

During the term of the Equity Plan, a person who is initially elected to the Board of Directors and who is an independent director at that time is automatically granted an option to purchase 15,000 shares of common stock and an option to purchase 10,000 shares of common stock on the date of each subsequent annual meeting of stockholders.

Purchase Price of Optioned Shares. The price per share of the shares subject to each option is set by the Compensation and Human Resources Committee. However, the price per share cannot be less than fair market value. In the case of incentive stock options granted to an individual then owning more than 10% of the total combined voting power of all classes of stock of ViaSat or any subsidiary or parent corporation of ViaSat the price cannot be less than 110% of the fair market value of a share of common stock on the date the option is granted.

Terms of Options. The term of an option is set by the Compensation and Human Resources Committee in its discretion. However, the term of an option cannot exceed ten years under the Equity Plan and, if the Equity Plan Proposal is approved, the term of an option will not exceed six years. In the case of incentive stock options granted to an individual then owning more than 10% of the total combined voting power of all classes of stock of ViaSat, the term may not exceed five years. Except as limited by the Equity Plan or applicable law, the Compensation and Human Resources Committee may extend the term of any outstanding option in connection with any termination of employment or termination of consultancy of the optionee, or amend any other term or condition of the option relating to a termination.

Exercise of Options. Upon the exercise of an option under the Equity Plan, the optionee must make full cash payment to the Corporate Secretary of ViaSat for the shares with respect to which the option, or portion of the option, is exercised. However, the Compensation and Human Resources Committee may in its discretion allow various forms of payment, which are described in the Equity Plan.

Other Stock Awards. The Equity Plan allows for various other awards including restricted stock, performance awards, dividend equivalents, deferred stock, stock payments, and stock appreciation rights. There have not been any of these awards granted since the inception of the Equity Plan. If the Equity Plan Proposal is approved, awards of restricted stock, performance awards, dividend equivalents, deferred stock, and stock payments will be counted as two shares for every one share actually granted for purposes of calculating the number of shares available for issuance under the Equity Plan.

Amendment and Termination of the Plan. The Equity Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board of Directors or the Compensation and Human Resources Committee. However, without approval of the stockholders of ViaSat, the Equity Plan may not be amended to (1) increase the maximum number of shares issuable upon exercise of options granted under the Equity Plan and (2) no action of the Board of Directors or the Compensation and Human Resources Committee may be taken that would otherwise require stockholder approval as a matter of applicable law, regulation or rule.

Grants in 2005 and 2006. Options to purchase 1,143,473 shares of common stock were granted, net of cancellations, in fiscal year 2005 and 252,523 shares of common stock were granted, net of cancellations, in fiscal year 2006 under the Equity Plan.

Federal Income Tax Consequences

The following is a general discussion of the principal tax considerations for both ViaSat and the recipients of the various awards under the Equity Plan, and is based upon the tax laws and regulations of the United States existing as of the date hereof, all of which are subject to modification at any time. The following discussion is intended for general information only. The tax consequences described below are subject to the limitations of Section 162(m) of the Internal Revenue Code (the Code), as discussed in further detail below. Alternative minimum tax and other federal taxes and foreign, state and local income taxes are not discussed, and may vary depending on individual circumstances and from locality to locality.

Options

Consequences to Employees: Incentive Stock Options. No income is recognized for federal income tax purposes by an optionee at the time an incentive stock option is granted, and, except as discussed below, no income is recognized by an optionee upon his or her exercise of an incentive stock option. If the optionee makes no disposition of the common stock received upon exercise within two years from the date such option was granted or one year from the date the option is exercised, the optionee will recognize capital gain or loss when he or she disposes of the common stock depending on the length of the holding period. This gain or loss generally will be measured by the difference between the exercise price of the option and the amount received for the common stock at the time of disposition. The exercise of an incentive stock option will give rise to an item of adjustment that may result in alternative minimum tax liability for the optionee.

If the optionee disposes of the common stock acquired upon exercise of an incentive stock option within two years after being granted the option or within one year after acquiring the common stock, any amount realized from such disqualifying disposition will be taxable as ordinary income in the year of disposition to the extent that (1) the lesser of (a) the fair market value of the shares on the date the incentive stock option was exercised or (b) the fair market value at the time of such disposition exceeds (2) the incentive stock option exercise price. Any amount realized upon disposition in excess of the fair market value of the shares on the date of exercise will be treated as long or short-term capital gain, depending upon the length of time the shares have been held. The use of stock acquired through exercise of an incentive stock option to exercise an incentive stock option will constitute a disqualifying disposition if the applicable holding period requirement has not been satisfied.

Consequences to Employees: Non-Qualified Stock Options. No income is recognized by a holder of a non-qualified stock option at the time a non-qualified stock option is granted. In general, at the time shares of common stock are issued to a holder pursuant to exercise of a non-qualified stock option, the holder will recognize ordinary income equal to the excess of the fair market value of the shares on the date of exercise over the exercise price.

A holder will recognize gain or loss on the subsequent sale of common stock acquired upon exercise of a non-qualified stock option in an amount equal to the difference between the selling price and the tax basis of the common stock, which will include the price paid plus the amount included in the holder's income by reason of the exercise of the non-qualified stock option. Provided the shares of common stock are held as a capital asset, any gain or loss resulting from a subsequent sale will be short-term or long-term capital gain or loss depending upon the length of time the shares have been held.

Consequences to ViaSat: Incentive Stock Options. We will not be allowed a deduction for federal income tax purposes at the time of the grant or exercise of an incentive stock option. There are also no federal income tax consequences to us as a result of the disposition of common stock acquired upon exercise of an incentive stock option if the disposition is not a disqualifying disposition. At the time of a disqualifying disposition by an optionee, we will be entitled to a deduction for the amount received by the optionee to the extent that such amount is taxable to the optionee as ordinary income.

Consequences to ViaSat: Non-Qualified Stock Options. Generally, we will be entitled to a deduction for federal income tax purposes in the year and in the same amount as the optionee is considered to have realized ordinary income in connection with the exercise of a non-qualified stock option.

Restricted Stock

Generally, a participant in the Equity Plan will not be taxed upon the grant or purchase of restricted stock that is subject to a substantial risk of forfeiture, within the meaning of Section 83 of the Code, until such time as the restricted stock is no longer subject to the substantial risk of forfeiture. At that time, the participant will be taxed on the difference between the fair market value of the common stock and the amount the participant paid, if any, for such restricted stock. However, the recipient of restricted stock under the Equity Plan may make an election under Section 83(b) of the Code to be taxed with respect to the restricted stock as of the date of transfer of the restricted stock rather than the date or dates upon which the restricted stock is no longer subject to a substantial risk of forfeiture and the participant would otherwise be taxable under Code Section 83. ViaSat will be eligible for a tax deduction as a compensation expense at the time the participant recognizes income equal to the amount of income recognized.

Stock Appreciation Rights

A participant will not be taxed upon the grant of a stock appreciation right. Upon the exercise of the stock appreciation right, the participant will recognize ordinary income equal to the amount of cash or the fair market value of the stock received upon exercise. At the time of exercise, ViaSat will be eligible for a tax deduction as a compensation expense equal to the amount that the participant recognizes as ordinary income.

Performance Awards, Dividend Equivalents, Deferred Stock and Stock Payments

The participant will have ordinary income upon receipt of stock or cash payable under a performance award, dividend equivalents, deferred stock and stock payments. ViaSat will be eligible for a tax deduction as a compensation expense equal to the amount of ordinary income recognized by the participant.

Section 162(m)

Under Code Section 162(m), in general, income tax deductions of publicly-traded companies may be limited to the extent total compensation (including base salary, annual bonus, stock option exercises and nonqualified benefits paid in 1994 and thereafter) for certain executive officers exceeds \$1 million in any one taxable year. However, under Code Section 162(m), the deduction limit does not apply to certain performance-based compensation established by an independent Compensation and Human Resources Committee which conforms to certain restrictive conditions stated under the Code and related regulations. The Equity Plan has been structured with the intent that awards granted under the Equity Plan may meet the requirements for performance-based compensation under Code Section 162(m). To the extent granted at a fair market value exercise price, options granted under the Equity Plan are intended to qualify as performance-based under Section 162(m) of the Code.

Plan Benefits

The number of awards that an employee may receive under the Equity Plan is in the discretion of the Board of Directors or the Compensation and Human Resources Committee and therefore cannot be determined in advance. As noted above, the Equity Plan provides a formula grant to non-employee directors, with each independent director receiving an option to purchase 15,000 shares of common stock at the time of initial election to the Board of Directors and an option to purchase 10,000 shares of common stock on the date of each subsequent annual meeting of stockholders. Other than these formula grants, the Compensation and Human Resources Committee has not made any determination to grant any shares to any persons under the

Equity Plan as of the date of this proxy statement. The following table provides the aggregate number of shares subject to options granted during fiscal year 2006 under the Equity Plan.