COMTECH TELECOMMUNICATIONS CORP /DE/
Form DEF 14A
November 16, 2018
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 [X]
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))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to §240.14a-12
COMTECH TELECOMMUNICATIONS CORP.
(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):
[X] No fee required.
[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

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):

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Notice of Fiscal 2018 Annual Meeting of Stockholders and Proxy Statement

December 4, 2018 at 10 a.m., Eastern Time
68 South Service Road, Lower Level Auditorium
Melville, NY 11747

Proof of ownership required for admission
See Part 1 – "About the Proxy Statement" for details on admission requirements to attend the Annual Meeting of Stockholders.

NOTICE OF FISCAL 2018 ANNUAL MEETING OF STOCKHOLDERS

Table of Contents

November 16, 2018

Dear Stockholder:
On behalf of the Board of Directors (the “Board”) and management, we cordially invite you to attend the Fiscal 2018 Annual Meeting of Stockholders (the “Annual Meeting”) of Comtech Telecommunications Corp. (“Comtech” or the “Company”). The Annual Meeting will be held at 10 a.m. on December 4, 2018 at our corporate headquarters located at 68 South Service Road, Lower Level Auditorium, Melville, New York, 11747. The Notice of Fiscal 2018 Annual Meeting of Stockholders, Proxy Statement and proxy card are enclosed.

Your Board recommends that you promptly vote “FOR” Proposals 1, 2, 3 and 4 on the enclosed proxy card. It is important that your shares are voted at the Annual Meeting. Whether or not you are able to attend in person, the prompt execution and return of the enclosed proxy card in the envelope provided or submission of your proxy and voting instructions over the Internet or by telephone will assure that your shares are represented at the Annual Meeting. Instructions for voting via the Internet or by telephone are set forth on the enclosed proxy card.

Important Notice Regarding the Availability of Proxy Materials for the Fiscal 2018 Annual Meeting of Stockholders to be Held on December 4, 2018.

Our Proxy Statement and Fiscal 2018 Annual Report are available at: www.proxyvote.com and www.comtechtel.com

On behalf of everyone at Comtech, we thank you for your ongoing interest and investment in our Company. We are committed to acting in your best interests.

Sincerely,
Fred Kornberg
Chairman, Chief Executive Officer and President

Your vote is extremely important. If you have any questions or require any assistance voting your shares, please contact Comtech's proxy solicitor:

Innisfree M&A Incorporated
Stockholders May Call
Toll-Free: (888) 750-5834
Banks and Brokers May Call
Collect: (212) 750-5833

NOTICE OF FISCAL 2018 ANNUAL MEETING OF STOCKHOLDERS

Table of Contents

Date	December 4, 2018
Time	10:00 a.m., Eastern Time
Place	68 South Service Road, Lower Level Auditorium, Melville, NY 11747
Record Date	In order to vote, you must have been a stockholder at the close of business on October 31, 2018
Proxy Voting	It is important that your shares be represented at the Annual Meeting regardless of the number of shares you hold in order that we have a quorum. Whether you plan to be present at the Annual Meeting in person, or not, please complete, sign, date and mail the enclosed proxy card in the accompanying envelope (to which you need affix no postage if mailed within the United States) or submit your proxy and voting instructions over the Internet or by telephone. Instructions for voting via the Internet or by telephone are set forth on the enclosed proxy card.
	Your vote is extremely important If you have any questions or require any assistance with voting your shares, please contact Comtech's proxy solicitor: Innisfree M&A Incorporated Stockholders May Call Toll-Free: (888) 750-5834 Banks and Brokers May Call Collect: (212) 750-5833
Items of Business	1. To elect Robert G. Paul and Lawrence J. Waldman to serve as members of the Company's Board of Directors for terms expiring at the Company's first annual meeting following the end of its fiscal year ending July 31, 2021. 2. To conduct an advisory vote on the compensation of the Named Executive Officers as disclosed in this Proxy Statement. 3. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year ending July 31, 2019. 4. To approve the Company's Second Amended and Restated 2001 Employee Stock Purchase Plan, which includes an increase in the number of shares of the Company's Common Stock available for purchase under the Plan.
Admission to Meeting	Proof of share ownership will be required to enter the Annual Meeting. See Part 1 – "About the Proxy Statement" for details.

By Order of the Board of Directors,

Nancy M. Stallone
Vice President of Finance and Corporate Secretary

November 16, 2018

2018 Proxy Statement

TABLE OF CONTENTS

TABLE OF CONTENTS

Proxy Summary

This summary highlights information contained within this Proxy Statement. This summary does not contain all of the information you should consider. Please read the entire Proxy Statement carefully before voting.

Annual Stockholders' Meeting		Meeting Agenda
Date	December 4, 2018	
Time	10 a.m., Eastern Time	
Place	68 South Service Road, Lower Level Auditorium, Melville, NY 11747	Election of Two Directors
		An advisory vote on the compensation of the Named Executive Officers as disclosed in this Proxy Statement
Record Date	Stockholders as of October 31, 2018 are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.	Ratification of the selection of our independent registered public accounting firm
		of the Company's Second Amended and Restated 2001 Employee Stock Purchase Plan

Voting matters and vote recommendation

Item		Board recommendation	Reasons for recommendation	More info
1.	Election of two directors	FOR	The Board and Nominating and Governance Committee believe that the two Board candidates possess the skills, experience, and diversity to effectively monitor performance, provide oversight, and advise management on the Company’s long-term strategy.	Page 55
2.	Approval (on an advisory basis) of the compensation of the Named Executive Officers as disclosed in this Proxy Statement	FOR	Our executive compensation programs demonstrate the continuing evolution of our pay for performance philosophy and reflect the input of stockholders from our extensive outreach efforts.	Page 56
3.		FOR		Page 57

	Ratification of selection of independent registered public accounting firm		The Audit Committee of the Board of Directors believes that the appointment of Deloitte & Touche LLP is in the best interests of the Company and its stockholders.	
4	Approval of the Company's Second Amended and Restated 2001 Employee Stock Purchase Plan	FOR	The approval of the Second Amended and Restated 2001 Employee Stock Purchase Plan will encourage employee ownership of Comtech stock, which helps align the interests of our employees with those of our stockholders.	Page 58

Vote in advance of the meeting			Vote in person
Internet	Telephone	Mail	In person at the meeting
Vote your shares via the Internet by going to the website address for Internet voting indicated on your proxy card & following the steps outlined on the	Call the toll-free number on your proxy card at any time, and follow the recorded instructions.	Sign, date, and return the enclosed proxy card in the postage-paid envelope provided.	See Part 1 – "About the Proxy Statement" for details on admission requirements to attend the Annual Meeting.

secure
website.

ABOUT THE PROXY STATEMENT

Questions and Answers

What is the purpose of the Annual Meeting?

At the Annual Meeting, our stockholders will be asked to consider and act upon the following matters:

- Election of Robert G. Paul and Lawrence J. Waldman to serve as members of the Company’s Board of Directors for terms expiring at the Company’s first annual meeting following the end of its 2021 fiscal year;
- An advisory vote on the compensation of the Named Executive Officers as disclosed in this Proxy Statement;
- Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2019 fiscal year;
- Approval of the Company's Second Amended and Restated 2001 Employee Stock Purchase Plan, which includes an increase in the number of shares available for purchase under the Plan; and
- Such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Who may attend the Annual Meeting?

Only stockholders of the Company and its invited guests may attend the Annual Meeting. Proof of ownership of Comtech Common Stock, along with personal identification (such as a driver’s license or passport), must be presented to be admitted to the Annual Meeting.

If your shares are held in the name of a bank, broker or other holder of record and you plan to attend the Annual Meeting in person, you must bring a brokerage statement or other proof of ownership as of the close of business on October 31, 2018 to be admitted to the Annual Meeting. Please note that a street-name stockholder who wishes to vote in person at the Annual Meeting will need to provide a legal proxy from its bank, broker or other holder of record.

Who is entitled to vote at the Annual Meeting?

Only stockholders of record at the close of business on October 31, 2018, the record date for the Annual Meeting, are entitled to receive notice of and vote at the Annual Meeting. If you hold your shares through a bank, broker or other nominee and intend to vote in person at the Annual Meeting, you will need to provide a legal proxy from your bank, broker or other holder of record.

What are the voting rights of stockholders?

Each share of our Common Stock is entitled to one vote. There is no cumulative voting.

When are the proxy materials first being sent or given to stockholders?

The Notice of the Annual Meeting, Proxy Statement and form of proxy or voting instruction card are being mailed starting on or about November 16, 2018.

ABOUT THE PROXY STATEMENT

How do stockholders vote?

Stockholders may vote at the Annual Meeting in person or by proxy. Whether you plan to attend the Annual Meeting in person or not, we urge you to vote by doing one of the following:

Vote via the Internet: You can vote your shares via the Internet by going to the website address for Internet voting indicated on your proxy card and following the steps outlined on the secure website.

Vote by Telephone: You can also vote your shares by calling the number (toll-free in the United States and Canada) indicated on your proxy card at any time and following the recorded instructions.

Vote by Mail: You can vote your shares by mail by completing, signing, dating and returning your proxy card in the postage-paid envelope provided.

If you are a beneficial owner, or you hold your shares in “street name,” please follow the instructions provided by your bank, broker or other holder of record with respect to voting your shares.

If a stockholder gives a proxy, how are the shares voted?

Proxies received by us will be voted at the Annual Meeting in accordance with the instructions given by you on the proxy card that you return or by telephone or Internet.

If you sign and return your proxy card, but do not give voting instructions, your shares will be voted by the persons named as proxies on your proxy card on each matter in accordance with the recommendation of the Board of Directors or, if no recommendation is made by the Board of Directors, in the discretion of the proxies. The proxies named on the proxy card are Fred Kornberg, Chairman, Chief Executive Officer (“CEO”) and President of Comtech and Michael D. Porcelain, Senior Vice President and Chief Operating Officer (“COO”) of Comtech.

Under the rules that govern brokers and nominees who have record ownership of shares that are held in “street name” for account holders (who are the beneficial owners of the shares), brokers and nominees have the discretion to vote such shares on routine matters, but not on other matters. At the Annual Meeting, only the ratification of the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for fiscal 2019 (Proposal No. 3) is a matter considered routine under applicable rules. Accordingly, brokers and nominees will not have discretionary authority to vote on the following matters at the Fiscal 2018 Annual Meeting of Stockholders:

- The election of members to our Board of Directors; and
- The advisory vote on the compensation of the Named Executive Officers as disclosed in this Proxy Statement; and
- The Second Amended and Restated 2001 Employee Stock Purchase Plan.

If a broker or nominee has not received voting instructions from an account holder and does not have discretionary authority to vote shares on a particular item, a “broker non-vote” occurs.

It is possible that matters other than those described in this Proxy Statement may be brought before stockholders at the Annual Meeting. If we were not aware of the matter a reasonable time before the mailing of this Proxy Statement, the proxies will vote your shares on the matter as recommended by the Board of Directors or, if no recommendation is given, the proxies will vote your shares in their discretion. In any event, the proxies will comply with the rules of the Securities and Exchange Commission ("SEC") when acting on your behalf on a discretionary basis. At the date of this Proxy Statement, we had not received any notice regarding any other matter to come before the Annual Meeting.

ABOUT THE PROXY STATEMENT

How are proxies changed or revoked?

You may change any vote by proxy or revoke a proxy before it is exercised by filing with the Secretary of Comtech a notice of revocation, by submitting a duly executed later-dated proxy by mail, telephone or via the Internet, or by attending the Annual Meeting and voting in person by ballot. If you hold shares through a bank or brokerage firm, you must contact that bank or brokerage firm to revoke any prior voting instructions. Attendance at the Annual Meeting will not by itself constitute revocation of a proxy.

What should I do if I receive more than one proxy card?

If you hold your shares in multiple accounts or registrations, or in both registered and street name, you will receive a proxy card for each account. Please execute and return each proxy card or, if you choose to vote by telephone or by Internet, please vote using each proxy you receive. Only your latest dated proxy for each account will be voted.

How many shares are outstanding and what constitutes a quorum?

At the close of business on October 31, 2018, the record date for the Annual Meeting, 23,905,527 shares of Common Stock were outstanding. Stockholders entitled to vote at least a majority of the shares that all stockholders are entitled to vote must be present at the Annual Meeting in person or by proxy to constitute a quorum for the transaction of business. “Abstentions” and broker non-votes count for purposes of determining whether a quorum is present.

What vote is required to approve each item?

Election of Two Directors. The election of the two director nominees will require the affirmative vote of a majority of the shares voted in person or by proxy.

Approval (on an advisory basis) of the Compensation of the Named Executive Officers. In order to be approved on an advisory basis, this proposal must receive the affirmative vote of a majority of the shares voted in person or by proxy.

Ratification of Selection of Accounting Firm. The ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2019 will require the affirmative vote of a majority of the shares voted in person or by proxy.

Amendment to the Company's 2001 Employee Stock Purchase Plan. The approval of the Second Amended and Restated 2001 Employee Stock Purchase Plan will require the affirmative vote of a majority of the shares voted in person or by proxy.

Other Matters. Approval of any other matter that comes before the Fiscal 2018 Annual Meeting of Stockholders generally will require the affirmative vote of a majority of the shares voted in person or by proxy although a different number of affirmative votes may be required, depending on the nature of such matter.

How do abstentions and broker non-votes affect the outcome of a vote?

Abstentions and broker non-votes with respect to any matter for which the vote required is a majority of the shares voted in person or by proxy on the proposal (i.e., the election of two directors, the advisory vote on executive compensation, the ratification of Deloitte & Touche LLP and the amendment to the Company's 2001 Employee Stock Purchase Plan) will not affect the outcome of such vote because abstentions and broker non-votes are not considered to be votes cast under our By-Laws or under the laws of the State of Delaware (our state of incorporation). Abstentions and broker non-votes will be considered shares present for purposes of quorum.

ABOUT THE PROXY STATEMENT

What does our Board of Directors recommend?

The Board of Directors unanimously recommends that you vote by proxy as follows:

- Proposal No. 1 - FOR the election of the two nominees proposed by the Company for election as directors;

- Proposal No. 2 - FOR the proposal to approve (on an advisory basis) the compensation of the Named Executive Officers as disclosed in this Proxy Statement;

- Proposal No. 3 - FOR the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2019; and

- Proposal No. 4 - FOR approval of the Company's Second Amended and Restated 2001 Employee Stock Purchase Plan.

Other Business and Information

We have enclosed our Annual Report for fiscal 2018 together with this Proxy Statement. No material contained in the Annual Report is to be considered a part of the proxy solicitation material.

The Board of Directors does not know of any other matters to be presented at the Fiscal 2018 Annual Meeting of Stockholders. If other matters do come before the Fiscal 2018 Annual Meeting of Stockholders, the persons acting pursuant to the proxy will vote on them in their discretion.

Proxies may be solicited by mail, email, fax, telephone, telegram, and personally by directors, officers and other employees of Comtech who will not receive incremental pay as a result of any potential solicitation. The Company has also engaged Innisfree M&A Incorporated (“Innisfree”) to assist it in connection with soliciting proxies and has agreed to pay Innisfree a fee not to exceed $15,000, plus reimbursement of expenses. The Company has agreed to indemnify Innisfree against certain liabilities relating to or arising out of the engagement.

The Company will request banks, brokers and other custodians, nominees and fiduciaries to forward proxy soliciting material to beneficial owners of shares held of record by such persons and obtain their voting instructions. The Company will reimburse such persons at approved rates for their expenses in connection with the foregoing activities.

The cost of soliciting proxies will be borne by Comtech.

A complete list of stockholders entitled to vote at the Fiscal 2018 Annual Meeting of Stockholders will be available for inspection beginning November 24, 2018 at the Company’s headquarters located at 68 South Service Road, Suite 230, Melville, New York 11747.

Our Internet website is www.comtechtel.com, and we make available on our website our filings with the SEC including annual reports, quarterly reports, current reports and any amendments to those filings. We also use our website to disseminate other material information to our investors (on the Home Page and in the “Investor Relations” section). Among other things, we post on our website our press releases and information about our public conference calls (including the scheduled dates, times and the methods by which investors and others can listen to those calls), and we make available for replay webcasts of those calls and other presentations.

We use social media and the Internet to communicate with investors, including information about our stockholder meetings. Information and updates about our Fiscal 2018 Annual Meeting have been and will continue to be posted on our website at www.comtechtel.com in the "Investor Relations" section. The reference to our website address does not constitute incorporation by reference of any other information contained therein into this Proxy Statement.

ABOUT THE PROXY STATEMENT

The Fiscal 2018 Annual Meeting of Stockholders may be adjourned from time to time without notice other than by announcement at the Annual Meeting.

We have previously adopted a procedure approved by the SEC called “householding.” Under this procedure, unless we have received contrary instructions from a stockholder, we satisfy the delivery requirements for proxy materials with respect to two or more stockholders sharing the same address by delivering a single proxy statement and annual report to the address of those stockholders. Each stockholder who participates in householding will continue to receive a separate proxy card. This procedure reduces our printing costs and postage fees.

If you wish to participate in householding for future Annual Meetings or are currently participating in householding and wish to receive separate copies of the proxy materials for the Fiscal 2018 Annual Meeting of Stockholders or future Annual Meetings, then please contact the Secretary of the Company by writing to 68 South Service Road, Suite 230, Melville, New York 11747 or calling (631) 962-7000.

We will promptly deliver separate copies of the proxy materials for the Fiscal 2018 Annual Meeting of Stockholders upon receiving your request.

Other Business

Our Board of Directors does not presently intend to bring any other business before the Annual Meeting, and, so far as known to our Board of Directors, no matters are to be brought before the Annual Meeting, except as specified in the Notice of Annual Meeting.

As to any business that may properly come before the Annual Meeting, however, it is intended that proxies, in the form enclosed, will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Table of Principal Stockholders

This table provides the number of shares beneficially owned by principal stockholders who the Company believes beneficially own more than five percent of our outstanding Common Stock, as of the date stated in the below footnotes.

The information in this table is based upon the latest filings of Schedule 13G or 13G/A as filed by the respective stockholder with the SEC.

We calculate the stockholder's percentage of the outstanding class assuming the stockholder beneficially owned that number of shares on October 31, 2018.

Unless otherwise indicated, the stockholder had sole voting and sole dispositive power over the shares.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock Inc. (1) 55 East 52nd Street New York, NY 10055	3,141,364	13.1%
Huber Capital Management, LLC (2) 2321 Rosecrans Ave, Suite 3245 El Segundo, CA 90245	2,465,338	10.3%
Dimensional Fund Advisors, L.P. (3) Building One, 6300 Bee Cave Road Austin, TX 78746	1,993,992	8.3%
Royce & Associates, L.P. (4) 745 Fifth Avenue New York, NY 10151	1,425,408	6.0%
The Vanguard Group (5) 100 Vanguard Blvd. Malvern, PA 19355	1,350,470	5.6%

(1) The information is based on a Schedule 13G filed by BlackRock Inc. with the SEC, reporting beneficial ownership as of December 31, 2017. Of the shares reported in the table as beneficially owned, BlackRock, Inc. had sole voting power over 3,078,078 shares and sole dispositive power over all of the shares. The Schedule 13G also discloses that Blackrock Fund Advisors, a subsidiary of BlackRock, Inc., is the beneficial owner of more than five percent of the Company's outstanding Common Stock.

(2) The information is based on a Schedule 13G/A filed by Huber Capital Management, LLC with the SEC, reporting beneficial ownership as of December 31, 2017. Of the shares reported in the table as beneficially owned, Huber Capital Management, LLC had sole voting power over 1,103,351 shares and sole dispositive power over all of the shares.

(3) The information is based on a Schedule 13G filed by Dimensional Fund Advisors, L.P. with the SEC, reporting beneficial ownership as of December 31, 2017. Of the shares reported in the table as beneficially owned, Dimensional Fund Advisors, L.P. had sole voting power over 1,920,806 shares and sole dispositive power over all of the shares.

(4) The information is based on a Schedule 13G filed by Royce & Associates, L.P. with the SEC, reporting beneficial ownership as of December 31, 2017.

(5) The information is based on a Schedule 13G filed by The Vanguard Group with the SEC, reporting beneficial ownership as of December 31, 2017. Of the shares reported in the table as beneficially owned, The Vanguard Group had sole voting power over 26,252 shares, shared voting power over 1,000 shares, sole dispositive power over 1,325,953 shares, and shared dispositive power over 24,517 shares.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Table of Shares Beneficially Owned by Directors and Named Executive Officers

The table below shows the beneficial ownership of our Common Stock of each of our directors, each person who served as our Chief Executive Officer or Chief Financial Officer during fiscal 2018, and the three highest paid executive officers other than our Chief Executive Officer or our Chief Financial Officer (collectively, the "Named Executive Officers" or "NEOs") and all current directors and executive officers as a group, as of October 31, 2018.

Unless otherwise indicated, our directors and executive officers had sole voting and sole dispositive power over their shares.

Name	Shares Beneficially Owned on October 31, 2018 (1)	Percent of Class
Non-employee Directors (listed alphabetically):		
Edwin Kantor	40,375	*
Ira S. Kaplan	32,540	*
Robert G. Paul	36,281	*
Dr. Yacov A. Shamash	9,536	*
Lawrence J. Waldman	23,560	*
Named Executive Officers (listed alphabetically):		
John Branscum, Jr.	147,970	*
Richard L. Burt	140,181	*
Fred Kornberg	1,014,899	4.2%
Michael D. Porcelain (2)	302,254	1.3%
Nancy M. Stallone	21,607	*
All current directors and executive officers as a group (11 persons) (2)	1,818,102	7.3%

* Less than one percent

(1) Includes: (i) 2,687 stock units held by Mr. Paul, (ii) 9,375 restricted stock units held by Mr. Kantor, 13,531 restricted stock units held by Mr. Kaplan, 10,684 restricted stock units held by Mr. Paul, 6,074 restricted stock units held by Dr. Shamash, and 6,208 restricted stock units held by Mr. Waldman (iii) 12,435 performance shares held by Mr. Kornberg and 2,605 performance shares held by Mr. Branscum, (iv) 5,072 share units held by Mr. Porcelain, and (v) the following shares of our Common Stock underlying stock options with respect to which such persons have the right to acquire beneficial ownership within 60 days from October 31, 2018: Mr. Kantor 30,000 shares; Mr. Kaplan 15,000 shares; Mr. Paul 7,500 shares; Mr. Waldman 13,890 shares; Mr. Branscum 111,650 shares; Mr. Burt 39,700 shares, Mr. Kornberg 512,800 shares; Mr. Porcelain 227,750 shares; and all current directors and executive officers as a group 985,095 shares. We calculated the percentage of the outstanding class beneficially owned by each person and by the group treating their shares subject to this right to acquire within 60 days as outstanding.

(2) Mr. Porcelain served as our Chief Financial Officer through September 30, 2018. Effective October 1, 2018, Mr. Porcelain was promoted to the position of Chief Operating Officer and Mr. Bondi was promoted to Chief Financial

Officer. The caption, all current directors and executive officers as a group, includes 48,899 shares beneficially owned by Mr. Bondi on October 31, 2018.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires our directors and executive officers, and persons who own more than ten percent of our Common Stock, if any, to file with the SEC reports of ownership, and reports of changes in ownership, of our equity securities. Such persons must furnish copies of all such reports that they file to us. Based solely on a review of such reports and written representations of our directors and executive officers, we are not aware that any such person failed to timely file such reports during fiscal 2018.

Directors and Executive Officers

Name	Principal Occupation	Age	For Term Expiring In	Served As Director Since
Directors nominated for election at Fiscal 2018 Annual Meeting:				
Robert G. Paul	Private Investor	76	2021	2007
Lawrence J. Waldman	Senior Advisor at First Long Island Investors, LLC	72	2021	2015
Continuing Directors (in order of expiration of current term):				
Fred Kornberg	Chairman, CEO and President of Comtech	82	2019	1971
Edwin Kantor	Executive Director of Colony S2K Partners LLC	86	2019	2001
Ira S. Kaplan	Private Investor	82	2020	2002
Dr. Yacov A. Shamash	Vice President of Economic Development at Stony Brook University	68	2020	2016
Other Executive Officers (listed alphabetically):				
Michael Bondi	Chief Financial Officer	45	-	-
John Branscum, Jr.	Senior Vice President; President of Comtech EF Data Corp. and Xicom Technology, Inc.	59	-	-
Richard L. Burt	Senior Vice President of Comtech; President of Comtech Systems, Inc.	77	-	-
Michael D. Porcelain	Senior Vice President; Chief Operating Officer (formerly Chief Financial Officer) of Comtech (1)	49	-	-
Nancy M. Stallone	Vice President of Finance and Corporate Secretary	58	-	-

(1) Mr. Porcelain served as our Chief Financial Officer through September 30, 2018. Effective October 1, 2018, Mr. Porcelain was promoted to the position of Chief Operating Officer.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Our Nominees' Biographies and Director Qualifications

Robert G. Paul

Biography

Mr. Paul has been a director of Comtech since March 2007. He currently serves on the board of directors of Kemet Corporation, and previously served on the boards of directors of Rogers Corporation and Andrew Corporation. He was the Group President, Base Station Subsystems, for Andrew Corporation from 2003 to 2004. Mr. Paul was the President and Chief Executive Officer of Allen Telecom Inc. from 1989 to 2003. He also served in various other capacities at Allen Telecom, which he joined in 1970, including Chief Financial Officer.

Director Qualifications

Mr. Paul has significant experience leading a multinational public corporation whose performance, like Comtech's, is largely driven by technological innovation and product research and development. Those leadership experiences and his service as a director of other public companies are significant assets to the Company.

Mr. Paul meets the independence guidelines established by the Board of Directors and the applicable NASDAQ listing standards, qualifies as an audit committee financial expert as defined by SEC rules, and currently is a member of the following Committees of the Board of Directors:

- Audit Committee; and
- Nominating and Governance Committee (Chairman)

Lawrence J. Waldman

Biography

Mr. Waldman has been a director of Comtech since August 2015. He serves as a member of the board of directors and Lead Independent Director of Bovie Medical Corporation. He is also a member of the board of directors of CVD Equipment Corp and, through October 21, 2018, was a member of the board of directors of Northstar/RXR Metro Income, Inc., an SEC registered non-traded real estate investment trust. Mr. Waldman currently serves as Senior Advisor at First Long Island Investors, LLC and was previously an Advisor to the accounting firm of EisnerAmper LLP following his role as Partner-in-Charge of Commercial Audit Practice Development for Long Island. Prior to joining EisnerAmper LLP, Mr. Waldman was the Partner-in-Charge of Commercial Audit Practice Development for Holtz Rubenstein Reminick, LLP from July 2006 to August 2011. Mr. Waldman was the Managing Partner of the Long Island office of KPMG LLP from 1994 through 2006, the accounting firm where he began his career in 1972.

Mr. Waldman is currently Chairman of the board of directors of the Long Island Association and a member of the boards of directors of the Long Island Angel Network and the Advanced Energy Research Center at Stony Brook University. Mr. Waldman also serves as the Chairman of the Supervisory Committee of Bethpage Federal Credit Union. He previously served as a member of the State University of New York's Board of Trustees and as the Chairman of the Board of Trustees of the Long Island Power Authority ("LIPA").

Mr. Waldman is a certified public accountant in New York State. He is a member of the American Institute of Certified Public Accountants and the New York State Society of CPAs. Mr. Waldman holds a Bachelor of Science and a Master of Business Administration from Hofstra University in Hempstead, New York, where he is also an adjunct professor.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Director Qualifications

Mr. Waldman has significant experience leading public accounting firms, and his extensive experience as a member of a variety of business, industry and civic boards allows him to bring a diverse perspective to our Board.

Mr. Waldman meets the independence guidelines established by the Board of Directors and the applicable NASDAQ listing standards, qualifies as an audit committee financial expert as defined by SEC rules, and currently is a member of the following Committees of the Board of Directors:

- Audit Committee (Chairman);
- Executive Compensation Committee; and
- Executive Committee

Continuing Directors' Biographies and Director Qualifications

Edwin Kantor (Lead Independent Director)

Biography

Mr. Kantor has been a director of Comtech since 2001 and Lead Independent Director commencing in 2011. He currently serves as Executive Director of Colony S2K Partners LLC, a Private Equity Firm. Previously he was Vice Chairman of Investment Banking with Cantor Fitzgerald & Co. from 2009 to 2012 and was Chairman of BK Financial Services LLP from 2002 to 2009. He served as Co-Chief Executive Officer of TPB Financial Services and was Co-Chairman and Co-Chief Executive Officer of HCFP/Brenner Securities from 1999 to 2001. He was Vice Chairman of Barington Capital Group from 1993 to 1999. Prior to joining Barington, Mr. Kantor spent 37 years in the securities industry with Drexel Burnham Lambert and its predecessor firms, where he held various positions, including serving as the firm's Vice Chairman.

Director Qualifications

Mr. Kantor brings his distinguished career in the financial services industry and a deep understanding of the public capital markets to his director role. His background and acumen enable him to make a valuable contribution to the Board's oversight of Comtech's capital structure and finances. As the former Vice Chairman of Investment Banking with Cantor Fitzgerald & Co. and current Executive Director of Colony S2K Partners LLC, Mr. Kantor brings to us emerging and evolving knowledge related to strategic planning, capital raising, mergers and acquisitions and economic analysis.

Mr. Kantor meets the independence guidelines established by the Board of Directors and the applicable NASDAQ listing standards, and currently is a member of the following Committees of the Board of Directors:

- Nominating and Governance Committee;
- Executive Compensation Committee; and
- Executive Committee

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Ira S. Kaplan

Biography

Mr. Kaplan has been a director of Comtech since 2002 and is currently a private investor. Mr. Kaplan was President and Chief Operating Officer ("COO") of EDO Corporation from 1998 to 2000 and, following the merger of EDO Corporation with AIL Technologies Inc., Mr. Kaplan served as the Executive Vice President and COO of the combined companies with responsibility to manage the integration of the companies. Mr. Kaplan held that position until his retirement in 2001. EDO Corporation was a supplier of sophisticated, highly engineered products and systems for defense, aerospace and industrial applications. EDO was purchased by ITT, and the operations that Mr. Kaplan oversaw were spun-off as part of a publicly-traded company that was called Exelis, which was subsequently purchased by Harris Corporation.

Director Qualifications

With more than 40 years of experience, including holding senior executive positions at a similar company, Mr. Kaplan brings valuable experience arising from his deep understanding of the defense and communications industries and provides perspective on the Company's business opportunities, supply chain and general management matters. Mr. Kaplan meets the independence guidelines established by the Board of Directors and the applicable NASDAQ Stock Market ("NASDAQ") listing standards, and currently is a member of the following Committees of the Board of Directors:

- Executive Compensation Committee (Chairman);
- Nominating and Governance Committee; and
- Science and Technology Committee

Fred Kornberg (Chairman, Chief Executive Officer and President)

Biography

Mr. Kornberg has served as CEO and President since September 2016. He is also Chairman of Comtech's Board of Directors. From January 2015 to January 2016, he served as Comtech's Executive Chairman, and from January 2016 until September 2016, as Chairman. He also served as CEO and President of Comtech from 1976 to 2015.

Director Qualifications

Mr. Kornberg brings to his director role deep knowledge of the Company's history, strategies, technologies and culture. His experience leading the Company's management and the depth of his knowledge of our business enable him to provide valuable leadership on complex business matters that we face on an ongoing basis. Mr. Kornberg has been the driving force behind the Company's continuous efforts in technological innovation and operational excellence to achieve market leadership and generate long-term stockholder value. Mr. Kornberg has been a director of Comtech since 1971 and is currently a member of both the Executive Committee and the Science and Technology Committee of the Board of Directors.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Dr. Yacov A. Shamash

Biography

Dr. Yacov A. Shamash has been a director of Comtech since October 2016. He currently serves as Vice President of Economic Development at Stony Brook University where he was the founder of the New York State Center for Excellence in Wireless and Information Technology and previously served as the Dean of Engineering and Applied Sciences and as Dean of the Harriman School for Management and Policy. Prior to joining Stony Brook University, Dr. Shamash developed and directed the National Science Foundation Industry/University Cooperative Research Center for the Design of Analog/Digital Integrated Circuits and also served as Chairman of the Electrical and Computer Engineering Department at Washington State University. He also serves on the Board of Directors of KeyTronic Corp. and Applied DNA Sciences, Inc. Dr. Shamash holds a Ph.D. degree in Electrical Engineering from Imperial College of Science and Technology in London, England.

Director Qualifications

With an extensive background in wireless and information technologies, Dr. Shamash brings to our Board an expansive view of those rapidly evolving areas and the potential commercial opportunities for Comtech in that space.

Dr. Shamash meets the independence guidelines established by the Board of Directors and the applicable NASDAQ listing standards, and currently is a member of the following Committees of the Board of Directors:

- Audit Committee; and
- Science and Technology Committee (Chairman)

Our Other Current Executive Officers (listed in alphabetical order)

Michael Bondi

Biography

Mr. Bondi has been Chief Financial Officer of Comtech since October 2018. Prior to that, he served as Vice President, Controller of Comtech since January 2004. Prior to joining Comtech, Mr. Bondi served as Assistant Controller at EDO Corporation, a supplier of sophisticated, highly engineered products and systems for defense, aerospace and industrial applications. Prior to his experience at Comtech and EDO, Mr. Bondi worked at the accounting firm, KPMG LLP from September 1993 to September 2002. As a Senior Manager at KPMG LLP, Mr. Bondi served a variety of public and private companies primarily in the technology and defense markets. Mr. Bondi is a certified public accountant in New York State and holds a Bachelor of Business Administration in Accounting from Hofstra University.

John Branscum, Jr.

Biography

Mr. Branscum has been Senior Vice President of Comtech and President of Comtech EF Data Corp. since 2015. He also holds the post of President of Comtech Xicom Technology, Inc. which he has held since May 2009. He joined the

Company in 1999 and has held various positions within the Company including Vice President of Operations and Director of Business Development. Mr. Branscum has more than 25 years in the High-Power Microwave Amplifier industry, having held Engineering and Operations management positions at Communications and Power Industries, Litton Industries and Varian Associates prior to joining Comtech Xicom. Mr. Branscum has both a BA and an MA degree in Physics from Dartmouth College.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Richard L. Burt

Biography

Mr. Burt has been Senior Vice President of Comtech since 1998 and had been a Vice President since 1992. He has been President of Comtech Systems, Inc. since 1989 and Vice President since its founding in 1984. Mr. Burt first joined Comtech in 1979. Prior to joining Comtech, Mr. Burt held roles at Westinghouse, Page Communications, Radio Engineering Laboratories and Rockwell International.

Michael D. Porcelain

Biography

Mr. Porcelain has served as Senior Vice President and Chief Operating Officer of Comtech since October 2018. Prior to his current position, he served as Senior Vice President and Chief Financial Officer of Comtech from March 2006 to October 2018 and Vice President of Finance and Internal Audit of Comtech from 2002 to March 2006. Mr. Porcelain also serves as a member of the board of directors and chair of the audit committee of Air Industries Group, a NYSE listed public company and integrated manufacturer of precision equipment assemblies and components for aerospace and defense contractors. Prior to joining Comtech, Mr. Porcelain was Director of Corporate Profit and Business Planning for Symbol Technologies, a mobile wireless information solutions company, where he was employed from 1998 to 2002. Previously, he spent five years in public accounting holding various positions, including Manager in the Transaction Advisory Services Group of PricewaterhouseCoopers. Since 1998, he has owned and operated The Independent Adviser Corporation, a privately held company which holds the rights to use certain intellectual properties and trademarks (including various Internet websites) related to the financial planning and advisory industry.

Nancy M. Stallone

Biography

Ms. Stallone has been Vice President of Finance at Comtech since September 2006 and Secretary since 2016. Prior to joining Comtech, Ms. Stallone served as Vice President, Internal Audit at Atkins Nutritionals, Inc. from 2004 to 2006. From 1996 to 2004, Ms. Stallone worked at Techpack America, Inc., a division of Albéa Group, a global cosmetic packaging manufacturer and wholesaler, where she served as Chief Financial Officer of North America, following her role as Vice President of Finance. Ms. Stallone is a certified public accountant in New York State and holds a Bachelor of Science in Accounting from Long Island University and an Executive MBA from St. Joseph's College, where she previously served as an adjunct professor in accounting.

The Board’s Oversight Role

Our Board of Directors oversees the management of our business, in accordance with Delaware General Corporation Law and our Certificate of Incorporation and By-Laws. Members of our Board of Directors are kept informed of our business through discussions with our CEO and other officers, by reviewing materials provided to them, and by participating in regular and special meetings of our Board of Directors and its committees. The Board and its committees also confer, as needed, with independent financial, executive compensation and other advisors. In addition, to promote open discussion among our non-employee directors, those directors meet in scheduled executive sessions without the participation of any member of management, including our CEO.

Our Governance Policies and Guidelines

Our Board of Directors has adopted Corporate Governance Policies and Guidelines. These policies and guidelines, in conjunction with the Company's Certificate of Incorporation and By-Laws, and the charters of the committees of the Board of Directors, form the framework for the governance of the Company.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The following is a summary of the key components of our Corporate Governance Policies and Guidelines (which can be found at our web site at http://www.comtechtel.com/management-team/board-of-directors):

- Directors should have high professional and personal ethics and values, and should have experience in areas of particular significance to the long-term creation of stockholder value.
- Directors must have sufficient time to carry out their duties and limit their service on public company boards to no more than five (inclusive of the Company).
- Each member of our Board of Directors must at all times exhibit high standards of integrity and ethical behavior and adhere to our Standards of Business Conduct. We require directors as well as employees to certify in writing on an annual basis that they have read and will abide by such standards. In addition, Directors must avoid any conflict between their own interests and the interests of the Company in dealing with suppliers, customers, and other third parties, and in the conduct of their personal affairs.
- Unless requested by the Board of Directors to remain, an employee director is expected to resign from the Board of Directors at the time employment terminates.
- The Board of Directors shall hold executive sessions of independent directors as necessary, but at least once a year.
- The Board of Directors shall regularly consider succession plans addressing the potential resignation or unavailability of our CEO, and shall regularly consider and discuss with our CEO his plans addressing the potential resignation or unavailability of the executive officers reporting to our CEO. These plans are discussed by the Board of Directors at least annually.
- Directors are encouraged to talk directly to any member of management regarding any questions or concerns the directors may have. Members of senior management, as appropriate, can attend Board meetings, if invited.
- The Board of Directors and each committee of the Board have the authority to retain and discharge independent advisors as the Board of Directors and any such committee deems necessary, including the sole authority to approve the advisors' fees.
- The Board of Directors and each committee conducts a self-evaluation annually. The Nominating and Governance Committee oversees each such annual self-evaluation.
- Non-employee directors are required to hold an equity ownership interest in Company stock with a market value of at least six times their respective annual cash retainer. Our CEO is required to hold an equity ownership interest in Company stock with a market value of at least six times his annual base salary. All other executive officers are required to hold an equity ownership interest of at least 20,000 shares or shares with a market value of at least two times their respective annual base salary, whichever is less. Until applicable equity ownership guidelines are met, non-employee directors and executive officers are required to hold any shares received from the exercise of stock options or the delivery of shares pursuant to a restricted stock-based award or similar awards issued in fiscal 2011 or later, less the number of shares used for the payment of any related exercise price and applicable taxes.
- The Audit Committee of the Board of Directors maintains guidelines for the review, approval or ratification and disclosure of "related person transactions" as defined by SEC rules.
-

The Chairperson of the Nominating and Governance Committee (and if different, our Lead Independent Director) shall receive copies of stockholder communications directed to non-management directors.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Independent Directors

Our Board of Directors has a long-standing commitment to sound and effective corporate governance, the foundation of which is our Board's policy that a substantial majority of our directors should be independent. We have only one director who is an employee of the Company (our Chairman of the Board, Mr. Fred Kornberg, who is also our CEO).

Our Board of Directors has determined that each of our five other directors has no relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and that each otherwise meets the independence requirements of the NASDAQ.

Executive sessions of the independent directors occur without the presence of the CEO. The Board believes that executive sessions of the independent directors and the existence of a Lead Independent Director play important roles in the governance structure of Comtech.

In fiscal 2018, the independent directors held six executive sessions. These sessions included discussion on a wide range of strategic matters.

Board Leadership Structure

The Chairman of the Board is Fred Kornberg. As CEO, Mr. Kornberg is responsible for general oversight of our businesses and the various executive management teams that are responsible for our day-to-day operations, and he is accountable directly to the full Board of Directors. As Chairman, Mr. Kornberg's in-depth knowledge of our Company's strategic priorities and operations enables him to facilitate effective communication between management and the Board and see to it that key issues and recommendations are brought to the attention of the Board. Our Board believes that, in light of our two complementary business segments, this streamlined leadership structure is currently appropriate for our Company as it enhances the ability of our business segments to operate flexibly to maximize responsiveness to our customers.

Edwin Kantor serves as our Lead Independent Director. As Lead Independent Director, Mr. Kantor presides at meetings of the Board in the absence, or upon the request, of the CEO; presides at executive sessions of the independent directors with authority to call additional executive sessions or meetings of the independent directors (and communicating with our CEO, as appropriate, concerning matters arising from such executive sessions); approves Board meeting dates and agendas, as well as certain information packages provided to directors, and in consultation with the CEO, recommends matters for the Board to consider; serves as a liaison between independent directors and the members of senior management; and evaluates, along with the members of the Executive Compensation Committee of the Board, the performance of the Company's CEO.

We believe our overall Board leadership structure allows the Board to appropriately perform its oversight functions.

Risk Management, Environmental Compliance and Workplace Safety

In connection with its oversight responsibilities, the Board of Directors has established certain committees, including the Audit Committee, Nominating and Governance Committee, Executive Compensation Committee, and the Science and Technology Committee, which periodically assess the various significant risks that we face. These risks include financial, competitive, operational, compensation-related and technological risks. Any such risk oversight that is not specifically assigned to a Committee comes within the purview of the Audit Committee. The Board (and its various Committees) administers its risk oversight responsibilities through our CEO, COO and our CFO who, together with our other NEOs and other management of the Company's operating subsidiaries, review and assess the operations of the businesses as well as management's identification, assessment and mitigation of the material risks affecting our operations. The Board (and its various Committees) also periodically engages outside advisors who help assess risk.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Given social trends and global initiatives to both monitor and reduce a company's impact on the environment and to ensure workplace safety, our Board of Directors is fully committed to a policy of compliance with all such applicable rules and regulations. To that end, our Board will periodically assess the need for the establishment of other Board level committees. We believe we have a successful track record of maintaining compliance with the various global environmental standards and initiatives that are applicable to our business segments.

Committees of the Board of Directors

Nominating and Governance
The Nominating and Governance Committee is responsible for, among other things, identifying and evaluating candidates for election as members of our Board of Directors and reviewing matters concerning corporate governance policy, including responding to any stockholder concerns about corporate governance, Board of Directors and committee self-evaluations.

In seeking and evaluating prospective members of our Board of Directors, our Nominating and Governance Committee considers the nature and scope of our business activities, and the capacity of our Board of Directors to provide oversight and positive contributions in areas of particular significance to the long-term creation of stockholder value. Areas of experience and capability that our Nominating and Governance Committee particularly believes should be represented on our Board of Directors include operational, accounting and finance, and technology experience related to our business.

The Nominating and Governance Committee identifies nominees first by evaluating the current members of the Board of Directors willing to continue in service. If any member of the Board does not wish to continue in service, or if the Nominating and Governance Committee or the Board of Directors decides not to re-nominate a member for re-election, the Nominating and Governance Committee will identify the required skills, background and experience of a new nominee, taking into account prevailing business conditions, and will source relevant candidates and present candidates to the Board of Directors. In connection with the identification of possible new directors, the Nominating and Governance Committee seeks diversity of professional experience, education, skill, gender, race, ethnic or national origin, age and other qualities and attributes as compared to the current Board members. These factors are important as a diverse Board can provide different perspectives to Board discussions and decisions. As such, when an open position of the Board is available, the Board is committed to having a diverse selection of candidates prior to the selection of the final candidate.

In evaluating director candidates, the Nominating and Governance Committee generally considers the following factors:

- our needs with respect to the particular competencies and experience of our directors;
- the knowledge, skills and background of candidates, in light of prevailing business conditions and the knowledge, skills, background and experience already possessed by other members of our Board of Directors;
- familiarity with our business and businesses similar or analogous to ours; and
- financial acumen and corporate governance experience.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our Nominating and Governance Committee also believes that individual candidates should demonstrate high levels of commitment, adequate availability to actively participate in our Board of Directors' affairs, and high levels of integrity, ethics and sensitivity to current business and corporate governance trends. Before recommending a candidate to our Board of Directors, all members of our Nominating and Governance Committee will participate in interviews with the candidate and our Nominating and Governance Committee will seek to arrange meetings between the candidate and other members of our Board of Directors. Candidates are typically identified by our Board of Directors, including with the assistance of a global search firm experienced in director candidate searches. Our Nominating and Governance Committee will consider individuals recommended by stockholders. A stockholder who wishes to recommend a candidate for consideration by the Nominating and Governance Committee should do so in writing addressed to the Nominating and Governance Committee Chairman at Comtech Telecommunications Corp., 68 South Service Road, Suite 230, Melville, NY 11747. Candidates recommended by stockholders will be considered according to the same standards of perceived Comtech need and potential individual contribution as are applied to candidates from other sources.

Our Board of Directors has determined that each member of our Nominating and Governance Committee meets the independence requirements of NASDAQ. Our Nominating and Governance Committee's Charter and our Corporate Governance Policy and Guidelines are available on our website at www.comtechtel.com, under the link for "Board of Directors" in the "Investor Relations" section.

During fiscal 2018, our Nominating and Governance Committee held two meetings.

Audit
Our Audit Committee functions include engaging and discharging our independent registered public accounting firm, and approving services to be performed by such firm and related fees; directing, as necessary, investigations into accounting, finance and internal control matters; reviewing the plan and results of audits with our independent registered public accounting firm; overseeing our internal audit function; reviewing with management our internal accounting controls; and evaluating related party transactions.

Our Board of Directors has determined that all members of our Audit Committee are qualified to be members of the Committee in accordance with NASDAQ requirements and meet the independence criteria set forth in the rules of the SEC. Our Board of Directors has determined that each of Messrs. Paul and Waldman qualifies as "audit committee financial experts," as defined by SEC rules, based on their education, background and experience.

Our Audit Committee's Charter is available on our website at www.comtechtel.com under the link for "Board of Directors" in the "Investor Relations" section. During fiscal 2018, our Audit Committee held five meetings.

Executive Compensation
Our Executive Compensation Committee (referred to throughout this proxy by name or by "ECC") of our Board of Directors considers and authorizes remuneration arrangements for our executive officers. The ECC also constitutes our Stock Option Committee which administers our stock incentive plan. The ECC determines the terms of performance-based awards for our executive officers, and negotiates the terms of any employment-related agreements with our executive officers. In addition, the ECC monitors the aggregate share usage under our stock incentive programs and potential dilution of the equity-based programs, except with respect to the application of our Company's 2000 Stock Incentive Plan to non-employee directors.

From time to time, the ECC retains executive compensation consulting firms to advise and assist it with respect to certain executive compensation matters. The ECC has utilized Arthur J. Gallagher & Co. ("Gallagher & Co."), an independent executive compensation consulting firm to assist them on certain compensation matters. The ECC has the sole authority to set Gallagher & Co.'s compensation and/or to terminate the services of Gallagher & Co. Gallagher & Co. provides no other services to Comtech, other than those relating to executive and director compensation. The ECC has determined that Gallagher & Co. has no conflict of interest and is independent in its role as compensation consultant to the ECC.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

The ECC often requests our CEO and COO to be present at meetings where executive compensation and corporate and individual performance are discussed and evaluated by the ECC or the Board of Directors. At these meetings and at other times, these executives provide insight, suggestions and recommendations, as requested by the ECC, regarding executive compensation matters. The ECC also meets with our CEO to discuss his respective compensation package and his recommendations for other executives. Ultimately, decisions regarding compensation for our NEOs are made by the ECC.

Only ECC members can vote on decisions made regarding executive compensation, and these votes generally take place during the “executive session” portion of the ECC meetings, when members of management are not present.

Our Board of Directors has determined that each member of the ECC meets the independence requirements of NASDAQ. The ECC’s Charter is available on our website at www.comtechtel.com under the link for “Board of Directors” in the “Investor Relations” section. The ECC held four meetings during the past fiscal year.

Science and Technology
Our Science and Technology Committee was established during fiscal 2017 to assist the Board of Directors with respect to its general oversight of significant scientific and technological aspects of the Company's businesses and operations. The Committee's functions include reviewing the Company's overall technology strategy and effectiveness of its research, development and manufacturing programs; scientific and technological aspects of new product development; receiving management reports on emerging science and technology issues that may impact the Company's overall business strategy; and reviewing the science and technology aspects of significant business development opportunities.

Our Board of Directors has determined that all members of our Science and Technology Committee are qualified to be members of the Committee based on their scientific and technological backgrounds and experience. The Committee Charter is available on our website www.comtechtel.com under the link for "Board of Directors" in the "Investor Relations" section. During fiscal 2018, our Science and Technology Committee held two meetings.

Executive
Except as limited by law, our Executive Committee has the authority to act upon all matters requiring Board of Directors approval. In practice, our Executive Committee has been tasked, when necessary, with finalizing the logistics and administrative tasks associated with decisions that have been vetted by the full Board of Directors. During fiscal 2018, the Executive Committee did not hold any meetings.

Attendance

Our Board of Directors has adopted a policy which encourages directors, if practicable and time permitting, to attend our annual meetings of stockholders, either in person, by telephone or by other similar means of live communications (including video conference or webcast). All incumbent directors, who were serving as directors at the time, attended our Fiscal 2017 Annual Meeting of Stockholders in person.

Our Board of Directors held thirteen meetings during fiscal 2018, including regularly scheduled and special meetings.

During fiscal 2018, all of our incumbent directors attended more than 95% of the meetings held by the Board of Directors and all committees on which they served.

Communications with Our Board of Directors

Stockholders may communicate with our Board of Directors, our Lead Independent Director or any other individual director by writing to us at Comtech Telecommunications Corp., Attention: Corporate Secretary, 68 South Service Road, Suite 230, Melville, NY 11747.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Code of Ethics

We have adopted a written Standards of Business Conduct that applies to our Board of Directors, principal executive officer, principal financial officer, principal accounting officer, controller and to all our other employees. These standards are a guide to help ensure compliance with our high ethical standards. A copy of the Standards of Business Conduct is maintained on our website at www.comtechtel.com, under the link "Investor Relations."

We intend to post on our website, as required, any amendment to, or waiver from, any provision in our Standards of Business Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and that relates to any element of the standards enumerated in the rules of the SEC.

Director Compensation

Table of Director Compensation for Fiscal 2018 (1)

Name	Fees Earned or Paid in Cash	Stock Awards (2)	All Other Compensation	Total
Edwin Kantor	$87,500	$120,000	$ -	$207,500
Ira S. Kaplan	70,000	120,000	-	190,000
Robert G. Paul	67,500	120,000	-	187,500
Yacov Shamash	67,500	120,000	-	187,500
Lawrence J. Waldman	80,000	120,000	-	200,000

(1) Fred Kornberg, our Chairman, CEO & President is not included in this table because he receives no separate compensation for his services as director.

(2) These amounts represent the aggregate grant date fair value of restricted stock and restricted stock units, each calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC Topic 718"), granted in fiscal 2018. Assumptions used in the calculation of these amounts are discussed in Note 11 to our consolidated audited financial statements for the fiscal year ended July 31, 2018, included in our Annual Report on Form 10-K filed with the SEC on September 26, 2018. At that date, Messrs. Kantor and Kaplan, each received 3,462 shares of restricted stock units, each with a fair value of $34.67. Messrs. Paul, Shamash and Waldman each received 3,462 shares of restricted stock, each with a fair value of $34.67. At July 31, 2018, Messrs. Kaplan, Kantor and Waldman held 13,423 unvested restricted stock units, Mr. Paul held 7,565 unvested restricted stock units and 6,652 unvested shares of restricted stock, and Dr. Shamash held 13,222 unvested restricted stock units.

In fiscal 2018, each non-employee director received an equity award valued at approximately $120,000. In addition, each non-employee director received an annual cash retainer of $50,000. Non-employee directors received additional compensation as follows: (i) Mr. Paul, as the Chairman of the Nominating and Governance Committee, received an additional fee of $7,500 and, as a member of the Audit Committee, received an additional fee of $10,000; (ii) Mr. Kantor, as the Lead Independent Director, received an additional fee of $30,000, as a member of the Executive Compensation Committee, received an additional fee of $5,000 and, as a member of the Nominating and Governance Committee, received an additional fee of $2,500; (iii) Mr. Kaplan, as the Chairman of the Executive Compensation Committee, received an additional fee of $15,000, as a member of the Nominating and Governance Committee, received an additional fee of $2,500 and, as a member of the Science and Technology Committee, received an additional fee of $2,500; (iv) Mr. Waldman, as the Chairman of the Audit Committee, received an additional fee of

$25,000 and, as a member of the Executive Compensation Committee, received an additional fee of $5,000; and (v) Dr. Shamash, as the Chairman of the Science and Technology Committee, received an additional fee of $7,500 and, as a member of the Audit Committee, received an additional fee of $10,000. Annual cash retainers are paid quarterly. Directors may elect to receive fully-vested stock units in lieu of cash retainer amounts. No meeting fees are paid. Directors are reimbursed reasonable expenses for attending meetings.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

For fiscal 2018, cash fees for service as a director were as follows:

Director's Annual Retainer	$50,000
Lead Independent Director Retainer	30,000
Committee Chair Fees	
Audit Committee	25,000
Executive Compensation Committee	15,000
Nominating and Governance Committee	7,500
Science and Technology Committee	7,500
Committee Member Fees	
Audit Committee	10,000
Executive Compensation Committee	5,000
Nominating and Governance Committee	2,500
Science and Technology Committee	2,500

Restricted stock units and restricted stock granted to non-employee directors have a vesting period of three years, with 25% of such award vesting on each of the first and second anniversaries of grant, and 50% vesting on the third anniversary of grant, subject to accelerated vesting upon death of the director or a change-in-control of the Company. Restricted stock units are convertible into shares of Common Stock on a one-for-one basis, generally at the time of termination of service as a director, or earlier in certain circumstances.

No changes have been made to the Company's non-employee director compensation program for fiscal 2019.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The Executive Compensation Committee determines the compensation of all our executive officers. This compensation discussion and analysis ("CD&A") focuses on our Named Executive Officers ("NEOs") and should be read in conjunction with the "Summary Compensation Table" and other compensation tables in this Proxy Statement.

For fiscal 2018, our Named Executive Officers are:

Name	Principal Position
Fred Kornberg	Chairman, CEO and President
Michael D. Porcelain	Chief Operating Officer (formerly Chief Financial Officer)
Richard L. Burt	Senior Vice President and President, Comtech Systems, Inc.
John Branscum, Jr.	Senior Vice President and President, Comtech EF Data Corp. and Comtech Xicom Technology, Inc.
Nancy M. Stallone	Vice President of Finance and Corporate Secretary

Overview

Our executive compensation program is based on a "pay-for-performance" philosophy, providing incentives and appropriate rewards to our executives to formulate and execute business plans that achieve long-term success and build stockholder value. To achieve these goals, the ECC has established and implemented the following significant features of our executive compensation program:

- setting total direct compensation targets for each NEO;
- setting annual non-equity incentive award opportunities based on targeted dollar amounts for each NEO, with pre-specified payout opportunities;
- requiring that a minimum of 70% of a given financial goal established for our annual non-equity incentive awards be met before any payout may be made in respect of that goal;
- granting long-term performance shares (often referred to as performance-based restricted stock units) with challenging three-year performance goals for Adjusted EBITDA (a non-GAAP measure) and net sales;
- eliminating all Internal Revenue Code Section 280G tax "gross-up" entitlements for our NEOs;
- adopting mandatory equity ownership guidelines for both NEOs and non-employee directors; and
- paying significant portions of annual incentives in share units to further align the interests of executives with the interests of stockholders.

The ECC has introduced these features in recent years after considering stockholder feedback, which included an expressed desire to see a greater portion of compensation paid to, or earnable by, our NEOs in the form of variable compensation tied to our financial performance.

The ECC believes that our executive compensation program has played an important role in incentivizing our NEOs to guide our company to success. The ECC also believes that our NEOs' skills and experience are critical and will drive long-term total stockholder returns. Our stockholders have in the past five years supported our say-on-pay proposals by votes that exceeded 93% of votes cast, a strong endorsement of our executive compensation program.

COMPENSATION DISCUSSION AND ANALYSIS

In determining financial and personal performance goals and award opportunities at the beginning of fiscal 2018, the ECC established targets intended to motivate our executive officers to achieve strong results that continued and accelerated the momentum established in fiscal 2017. The ECC established fiscal 2018 non-equity incentive plan performance goals that it deemed to be challenging “stretch” goals at target. Ultimately, fiscal 2018 proved to be a successful year for Comtech, with notable results including the following:

- Net sales for fiscal 2018 were $570.6 million as compared to $550.4 million for fiscal 2017, the first full year of operations that included TeleCommunication Systems, Inc. ("TCS"), which we acquired during fiscal 2016.

- Backlog as of July 31, 2018 was a record high $630.7 million. The portions of multi-year contracts that have not been funded, and therefore were not included in backlog, represent substantial additional future value. Bookings during fiscal 2018 were $755.1 million, with a Company-wide book-to-bill ratio (a measure defined as bookings divided by net sales) of 1.32, compared to a fiscal 2017 book-to-bill ratio of 0.93. For a definition and explanation of how we calculate "backlog" see pages 11-12 of our Fiscal 2018 Annual Report on Form 10-K, in the section entitled "Item 1. Business - Backlog," filed with the SEC on September 26, 2018.

- GAAP operating income for fiscal 2018 was $35.1 million and GAAP net income was $29.8 million, or $1.24 per diluted share. GAAP net income includes a full-year net discrete tax benefit of $11.8 million, or $0.49 per diluted share ("Tax Gain"), primarily due to the Tax Cuts and Jobs Act enacted in December 2017. Excluding the Tax Gain, GAAP net income would have been $18.0 million or $0.75 per diluted share, compared to fiscal 2017 GAAP net income of $15.8 million or $0.67 per diluted share.

- Adjusted EBITDA (a non-GAAP measure) was $78.4 million in fiscal 2018, up $7.7 million from fiscal 2017, a 10.8% increase. For a definition and explanation of how "Adjusted EBITDA" is calculated, see pages 62-63 of our Fiscal 2018 Annual Report on Form 10-K, in the section entitled “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Comparison of Fiscal 2018 and 2017 - Adjusted EBITDA,” filed with the SEC on September 26, 2018.

- We generated cash flows from operating activities of $50.3 million in fiscal 2018 and Comtech was able to reduce the level of its total indebtedness by $29.2 million.

- From July 31, 2017 to July 31, 2018 (our fiscal 2018), our one-year total stockholder return was approximately 88.9%. At July 31, 2018, our closing stock price was $33.60 per share. At July 31, 2018, our annualized three- and five- year total stockholder returns were 7.5% and 7.1%, respectively.

The ECC considered factors in addition to the foregoing financial performance achievements in evaluating the performance of our management team. These included, particularly, the continued expansion of our product and service offerings and a pipeline of opportunities that give us reason to be excited about our future prospects.

Under our annual incentive program, our fiscal 2018 non-GAAP pretax profit, non-GAAP Adjusted EBITDA and non-GAAP free cash flow exceeded target requirements for payouts to Mr. Kornberg and Mr. Porcelain (who served as CFO during fiscal 2018); in the case of non-GAAP pretax profit, the performance exceeded the maximum specified performance level. This performance had a positive effect on payouts to those executive officers. Payouts to the NEOs with responsibilities for specific business units were in line with the fiscal 2018 performance of those units. Payouts to two of the NEOs were also enhanced by their achievement of individual performance goals (such individual performance can contribute up to 25% of the targeted annual incentive payout).

Looking forward, the ECC believes that our executive compensation program is appropriately designed to incentivize our executives to grow our business and drive positive long-term stockholder returns, and promote retention of our senior executives who are critical to the future success of our business.

COMPENSATION DISCUSSION AND ANALYSIS

Response to Say-on-Pay Advisory Votes, Say-on-Frequency Advisory Vote and Stockholder Feedback

At our fiscal 2017, 2016, 2015, 2014 and 2013 annual meetings, 93.4%, 96.5%, 95.4%, 98.5% and 98.8%, respectively, of the shares voted were voted in favor of our executive compensation program (referred to as a "say-on-pay" vote). At our fiscal 2017 annual meeting, 72.5% of the votes cast favored our policy of holding say-on-pay votes annually, rather than every second or every third year. Considering the results of that advisory vote and other considerations, the Board of Directors determined to continue our policy of holding annual say-on-pay votes.

The ECC believes the highly supportive say-on-pay votes are attributable to the pay-for-performance design of our executive compensation program, which has been strengthened by on-going enhancements to the program by the ECC over the past several years. In this regard, a key factor has been the ECC’s consideration and response to stockholder feedback and comments of certain leading proxy advisory firms.

Goals and Objectives of Our Executive Compensation Program

The principal goals of our executive compensation program for our NEOs are to help us attract, motivate and retain the talent required to develop and achieve our strategic and operating goals, with a view to maximizing stockholder value.

The ECC intends for our executive compensation program to support our growth-oriented business strategy by motivating and rewarding management activities that create long-term stockholder value.

Our key executive officer compensation objectives are to:

- Attract and retain the key leadership talent required to successfully execute our business strategy;
- Align executive pay with performance, both annual and long-term;
- Ensure internal equity that reflects the relative contribution of each executive officer;
- Strongly link the interests of executives to those of our stockholders and other key constituents;
- Ensure transparency in our executive compensation practices; and
- Administer executive compensation in a cost-effective and tax-efficient manner.

We seek to achieve these goals by placing a major portion of the executives’ total compensation at risk, in the form of annual non-equity incentive awards and long-term equity incentive awards. The ECC believes that our overall compensation program has resulted in and will continue to result in long-term alignment with the interest of our stockholders.

Annual non-equity incentives are intended to motivate and reward our NEOs’ efforts and contributions to our business success, as measured by key performance metrics. Cash bonuses can be paid separately to reward other accomplishments. Restricted stock units, stock units and long-term performance shares create compensation opportunities intended to align management’s long-term interests with those of our stockholders and to promote long-term service. Such cash and stock-based compensation components have been critical factors in attracting and retaining key employees and are intended to contribute to a high level of executive commitment to our business success.

COMPENSATION DISCUSSION AND ANALYSIS

The ECC assesses the performance of our NEOs considering business conditions and based on the efforts and effectiveness of each individual NEO as well as their collective efforts. The ECC also exercises its judgment as to the appropriate sharing between management and stockholders of the benefits of our business success. We also intend that the levels of compensation available to executive officers be fair internally, as compared to each other, and competitive in the marketplace in which we compete for executive talent.

The ECC believes our executive compensation program needs to be competitive so that we can retain our senior executive officers who have demonstrated their leadership, commitment and overall importance to our organization. These executives may be sought by other firms or may have other interests. A competitive program likewise is critical to our ability to attract new executives who share our values and commitment and who have demonstrated the abilities needed to add value to Comtech.

Determination of Compensation Opportunities for NEOs

Overview and Components of Fiscal 2018 Compensation Opportunities

The ECC has historically utilized a “pay-for-performance” policy in developing and allocating compensation elements between long-term and short-term, and allocating between cash and non-cash compensation, which has resulted in significant growth and stockholder value creation when viewed over several years despite difficult market conditions.

In making decisions regarding our executive officer compensation, ECC members also draw upon their general knowledge and understanding of what executive officers of other companies are earning, particularly in our industry, information that has been derived from publicly available information such as other public company SEC filings, published reports on executive compensation and, in the past, the Company’s participation in benchmark studies. The ECC also can engage independent advisors and has done so in the past.

The ECC has established a policy of establishing compensation opportunities for our NEOs that we refer to as "targeted total direct compensation" (i.e., the targeted total of the compensation components identified in the “Summary Compensation Table,” but excluding items contained in “All Other Compensation” for each NEO). The ECC expects that targeted total direct compensation for an executive will be competitive with market levels of compensation and, as illustrated in the graph below, that the mix of compensation for any given fiscal year will include a substantial portion of "at risk" incentive-based compensation.

COMPENSATION DISCUSSION AND ANALYSIS

The following table summarizes the components of total direct compensation for fiscal 2018:

Components of Total Direct Compensation for Fiscal 2018

		Annual Non-Equity Incentive Awards*		Long-Term Equity Incentive Awards			
Annual Base Salary	+	These awards, which may be settled in cash or share units, will be paid only if at least 70% of financial goals and/or certain personal goals are determined to be achieved by the ECC. Financial goals for our Chairman and CEO and our COO (who served as CFO in fiscal 2018), who each have Company-wide responsibilities are pre-tax profit, free cash flow and Adjusted EBITDA (each, as defined, is a non-GAAP financial metric). Our two NEOs with business responsibilities had goals based on pre-tax profit, free cash flow and bookings. All NEOs, other than our Chairman and CEO received five specific personal goals. If 70% of a financial goal is deemed not achieved, the allocated amount of non-equity incentive award for that goal would be zero. *Nancy M. Stallone, our Vice President of Finance, did not participate in the non-equity incentive program in fiscal 2018, but instead was eligible for and received a bonus for fiscal 2018 performance.	+	Restricted Stock Units Awards vesting over five years, providing for strong retention and promoting long-term service to the Company, while aligning the interests of executives with those of shareholders.	Long-Term Performance Shares These awards are payable within a range of 70% to 200% of target shares if minimum financial goals relating to revenues and Adjusted EBITDA in the three-year performance period are achieved (with partial credit for goal achievement in years one and two). If 70% of a given financial goal is deemed not achieved, the allocated amount of long-term performance shares would be zero in respect of that goal.	=	Total Direct Compensation for Fiscal 2018

In establishing specific targeted total direct compensation in fiscal 2018 for each individual NEO, the ECC has not adopted a formal benchmarking policy. As discussed below, the ECC has considered prior independent studies prepared by Steven Hall & Partners (“Steven Hall”), an independent executive compensation consulting firm engaged at the time by the Committee and an update to that study prepared by Arthur J. Gallagher & Co. (“Gallagher & Co."), another independent executive compensation consulting firm. These studies provided the ECC with an understanding of the competitive range of total direct compensation for executives in comparable positions at comparably sized companies in our industry.

COMPENSATION DISCUSSION AND ANALYSIS

When determining individual components of targeted total direct compensation, each NEO’s base salary is set by the ECC and the remainder of targeted total direct compensation is apportioned approximately 50% to annual non-equity incentive compensation and 50% to long-term equity incentive awards, with the long-term equity incentive award component then apportioned approximately 50% each to restricted stock and long-term performance shares, both valued at the grant date. The ECC, after discussions with our Chairman and CEO, determined final targeted total direct compensation for fiscal 2018 for each NEO as summarized in the table below:

NEO	Targeted Total Direct Compensation
Fred Kornberg	$ 3,000,000
Michael D. Porcelain	1,300,000
Richard L. Burt	1,100,000
John Branscum, Jr.	1,100,000
Nancy M. Stallone	(1)

(1) Ms. Stallone was not assigned a total direct compensation target in fiscal 2018. The components of her compensation, including the levels, were established upon the recommendation of management consistent with the program for other executives at a similar level.

Actual fair values of equity awards caused very small variations from these targeted amounts.

The targeted total direct compensation levels for fiscal 2018 were based on those set in prior years, with upward adjustments for Mr. Porcelain (13.2%) and Mr. Branscum (5.3%). The CEO's targeted total direct compensation was established in fiscal 2017 and not increased for fiscal 2018.

The following discusses each individual component of targeted total direct compensation in more detail:

Annual Base Salary – Base salaries paid to our executive officers are intended to be generally competitive with those paid to executives holding comparable positions at comparably sized companies in our industry. The ECC reviews base salaries each year and, as appropriate, makes upward adjustments based on the ECC’s assessment of the executive officer’s individual performance, taking into consideration the operating and financial performance of our operations for which the executive is responsible. The ECC also considers the budgeted level of merit increases for all employees generally in determining salary adjustments for executive officers.

The ECC reviews public information regarding competitive levels of salary in our industry, but has not established a policy of targeting a particular benchmarked level. The ECC’s determinations regarding salary reflect a degree of subjectivity and business judgment as to the performance and competitiveness of salary levels for each individual NEO’s position.

For fiscal 2018, the salaries of our NEOs were unchanged from the prior fiscal year, except Mr. Branscum's salary was increased by $10,000 (3.1%). The annual salary rates for fiscal 2018 were as follows:

NEO	Salary
Fred Kornberg	$760,000
Michael D. Porcelain	408,000
Richard L. Burt	385,000
John Branscum, Jr.	335,000

Nancy M. Stallone	283,250

COMPENSATION DISCUSSION AND ANALYSIS

Cash Bonuses – The ECC has the ability to award cash bonuses (as defined by SEC rules and regulations and generally referring to discretionary bonuses rather than bonuses based on attaining pre-set goals) to our NEOs. Such bonuses are intended to motivate and reward achievement of corporate objectives by creating the potential to earn compensation for achieving subjective or non-specific financial and performance goals.

Cash bonuses include one-time cash awards such as sign-on bonuses to a newly hired NEO and cash bonuses to an NEO for extraordinary performance. The ECC does not routinely award annual cash bonuses to NEOs who are participants in our annual incentive plan, but executive officers who do not participate in that program are eligible for discretionary bonuses based on the CEO's and ECC's subjective evaluation of the executive's performance, while taking into consideration Comtech's overall performance.

Our Vice President of Finance, who reported directly to our CFO, received a bonus for fiscal 2018 based on a subjective evaluation of her performance and contributions to the achievement of the company-wide pre-tax profit goal of $20.0 million, as conducted by both the CEO and COO (who served as CFO in fiscal 2018), and the ECC's assessment of her performance for the year. Her bonus was paid by the grant of 4,316 share units valued at $145,018. In fiscal 2018, none of our other NEOs received cash bonuses as defined by the SEC rules.

Non-equity Incentive Plan Awards – Non-equity incentive plan compensation is intended to motivate our NEOs to achieve annual operating objectives and goals that are designed to enhance long-term stockholder value. Non-equity incentive award opportunities are based on targeted dollar amounts for each NEO and include specified threshold (for example, 70% of financial goals must be achieved) target and maximum payout levels for each financial goal and are further subject to an aggregate non-equity incentive plan award cap, set as a multiple of the NEO's annual salary. Non-equity incentive awards are subject to the terms and conditions of our 2000 Stock Incentive Plan, and may be settled, as determined by the ECC, in cash or share units. In certain cases, our NEOs may receive a pro-rata portion of their award, including situations such as death and disability. In addition, in certain situations, settlements of awards may require the execution of an acknowledgment and release in favor of the Company.

For fiscal 2018, to the extent applicable, non-equity incentive awards based on financial targets were intended to qualify as "performance-based" under Section 162(m) of the Internal Revenue Code. In December 2017, with the enactment of the Tax Cuts and Jobs Act, the exception to the $1.0 million deductibility limitation for "performance-based" compensation was removed from Section 162(m). As a result, non-equity incentive awards for fiscal years after 2018 generally will be subject to the tax deductibility limits of Section 162(m).

In fiscal 2018, non-equity incentive award performance goals for each of our participating NEOs as shown in the table below, were established early in the fiscal year:

Fiscal 2018 Weighting of Non-Equity Incentive Goals
and Total Target and Maximum Amounts Payable (both in dollars)

Goals (as defined)	Fred Kornberg		Michael D. Porcelain		Richard L. Burt		John Branscum, Jr.	
Pre-tax profit	33.3	%	25.0	%	25.0	%	25.0	%
Adjusted EBITDA	33.3	%	25.0	%	-		-	
Bookings	-		-		25.0	%	25.0	%
Free cash flow	33.3	%	25.0	%	25.0	%	25.0	%
Five personal goals	-		25.0	%	25.0	%	25.0	%
Total Percentage	100.0	%	100.0	%	100.0	%	100.0	%

Total Target Amount	$1,120,000	$446,000	$357,500	$382,500
Maximum Amount	$1,680,000	$613,250	$491,563	$502,500

COMPENSATION DISCUSSION AND ANALYSIS

Non-equity incentive awards are subject to the full negative discretion of the ECC, except that, in the case of our Chairman and CEO, his amended and restated employment agreement as in effect for fiscal 2018, entitled him to a target annual incentive opportunity that, when combined with his base salary, totaled $3.0 million and precluded the exercise of negative discretion if the pre-set financial performance goals were achieved.

If an executive does not achieve at least 70% for one financial goal and does not meet any of their personal goals (as applicable), the amount payable to the executive would be zero. In addition, the maximum payout is the lowest amount that is either (i) 1.5 times the financial target plus .25 times target for achievement of five individual goals, (ii) a pre-specified multiple of salary, or (iii), in the case of an NEO with responsibilities for a specific business unit, a maximum percentage of the business unit's pre-tax profit.

The actual fiscal 2018 non-equity incentive goals for each NEO participating in the non-equity incentive plan are illustrated in the below table:

Fiscal 2018 Non-Equity Incentive Goals

Goals (as defined)	Fred Kornberg	Michael D. Porcelain	Richard L. Burt	John Branscum, Jr.
Pre-tax profit	$20,000,000	$20,000,000	Confidential	Confidential
Adjusted EBITDA	$75,000,000	$75,000,000	Not Assigned	Not Assigned
Free cash flow	$40,545,000	$40,545,000	Confidential	Confidential
Bookings	Not Assigned	Not Assigned	Confidential	Confidential
Personal Goal #1	Not Assigned	Implement software system	Win specified level of new international order	Further consolidate specified business units
Personal Goal #2	Not Assigned	Reduce IT facility staff and costs by specified amount	Win specified level of new government order	Win specified level of new government order
Personal Goal #3	Not Assigned	Execute acquisition plan	Achieve EBITDA margin at specified level	Achieve EBITDA margin at specified level
Personal Goal #4	Not Assigned	Reduce leased space for specified business units	Support facilities relocation	Complete specified research and development project and book related product orders at specified level
Personal Goal #5	Not Assigned	Fully implement sales software and maintain a high standard of ethics/compliance	Fully implement sales software and maintain a high standard of ethics/compliance	Fully implement sales software and maintain a high standard of ethics/compliance

Based on its review of Comtech's business activity and planning going into fiscal 2018, the ECC established fiscal 2018 non-equity incentive financial and personal goals at levels deemed challenging and, to some extent, constituting “stretch” goals at target. Specifically, in establishing goals, among other items, the ECC considered our long-term strategy, our fiscal 2018 business plan, prior fiscal years’ achievements, known opportunities and our share repurchase and cash dividend program.

The pre-tax profit, Adjusted EBITDA and free cash flow goals for the CEO and COO (who served as CFO in fiscal 2018) each were increased as compared to fiscal 2017 goals. For the other participating NEOs, the applicable performance goals in some cases were higher and some lower compared to the levels targeted in fiscal 2017, based on the circumstances of the business unit.

Financial goals for Messrs. Kornberg and Porcelain were based on projected consolidated results and financial goals for Messrs. Burt and Branscum were based on the business operations for which they were responsible. Personal goals reduce the risk that our annual non-equity incentive program could provide an incentive to favor short-term results over long-term performance, and include a goal aimed at maintaining high standards of business ethics and legal compliance. Significant input on all of the performance goals was received from our Chairman and CEO and all goals were summarized on an annual “Goal Sheet” that was acknowledged by each individual NEO. The threshold, target and maximum award payout opportunities established as specified dollar amounts for each of our NEOs are shown in the “Table of Grants of Plan-Based Awards that Occurred in Fiscal 2018.”

For the Chairman and CEO and the COO, fiscal 2018 performance on all three financial goals exceeded the target levels. Pre-tax profit was achieved at a level of 166.0% of the target, although the payout level for this performance goal was capped at 150%. The achieved level of Adjusted EBITDA was 104.5% and free cash flow was 102.9% for the Chairman and CEO and the COO, with payout levels corresponding to the above-target level of achievement for these performance metrics. The payout levels for annual incentives to the other two participating NEOs corresponded to the level of achievement of his respective performance goals, except that the ECC adjusted one of the bonuses downward by approximately $500.

As it did in fiscal 2017, the ECC determined to pay out all or a substantial portion of the NEOs' 2018 annual non-equity incentive awards in the form of share units. Doing so strengthens the alignment of management with stockholders, and provides an added incentive for management to continue and accelerate the business momentum developed in fiscal 2018. The share units do not require further service for vesting, but are deferred as to settlement for a period of one year, and the ultimate value realized by each NEO is based upon the price of our Common Stock on the settlement date.

COMPENSATION DISCUSSION AND ANALYSIS

The final awards in fiscal 2018 for each of our NEOs are reflected in the "Summary Compensation Table" as "Non-equity incentive plan compensation" and are summarized below:

	Fred Kornberg	Michael D. Porcelain	Richard L. Burt	John Branscum, Jr.
	Actual Achievement of Fiscal 2018 Non-Equity Incentive Goals (as defined)			
Pre-tax profit	$33,195,642	$33,195,642	Confidential	Confidential
Adjusted EBITDA	$78,374,633	$78,374,633	Not Assigned	Not Assigned
Free cash flow	$41,702,000	$41,702,000	Confidential	Confidential
Bookings	Not Assigned	Not Assigned	Confidential	Confidential
Personal goals	Not Assigned	5 out of 5	3 out of 5	3 out of 5
	Actual Amount of Fiscal 2018 Non-Equity Incentive Award			
Final non-equity incentive award payable	$1,334,141	$509,951	—	$331,802
% of targeted amount	119.1%	114.3%	—	86.8%
Number of share units issued in payment (1)	36,979	14,881	—	9,692
Value of share units	$1,242,494	$500,002	—	$325,651
% of total payout	93.1%	98.0%	—	98.1%

(1) Approximately 4% of the share units were simultaneously withheld, with the cash value applied to cover Medicare and related tax withholdings.

The specific level of business-unit performance targets, the pre-tax profits cap on the payout, the actual achievement of business-unit results, detailed personal performance goals and related achievement are not disclosed in this proxy statement because these items are confidential business information, the disclosure of which would result in competitive harm for the Company.

Detailed Description of Methodology and Mechanical Calculation

The final non-equity incentive awards payable as a percentage of targeted amounts for fiscal 2018 (as shown in the table above), were determined by a mechanical calculation that was ultimately reviewed and approved by the ECC, after consideration of any negative discretion.

In any given fiscal year, the final non-equity incentive award payable as a percentage of the total targeted amount for each participating NEO can range from 0% to a maximum of 175% (or 150% in the case of the Chairman and CEO). If actual financial results for any specific financial goal are above target levels, the NEO could earn up to 150% of their targeted payout for that specific goal. Either an individual personal performance goal is achieved and results in earning 5% for that goal (up to 25% for all five personal goals), or that goal is not achieved and no amount is earned in respect of that personal goal. As such, if all actual financial results were at or above the maximum performance level and the NEO met all five personal goals, the resulting non-equity incentive payout would equal 175% of the NEO's specific total non-equity incentive target (in dollars) (or 150% in the case of our Chairman and CEO, for whom no personal goals were specified). If the ECC determines that the actual financial result for any financial performance goal for an individual NEO (including our Chairman and CEO) was less than 70% of the target, the NEO would not receive a payout tied to that specific goal. If an executive does not achieve at least 70% for one financial goal and does not meet any of their personal goals (as applicable), the amount payable to the executive would be zero. Fiscal 2018 non-equity incentive awards were settled mostly by issuance of share units with a small portion settled in cash.

COMPENSATION DISCUSSION AND ANALYSIS

To further explain how our annual incentive awards were determined, the calculation and related methodology is illustrated below, using Mr. Kornberg’s final fiscal 2018 non-equity incentive award:

- Determine the percentage achievement of actual performance for each specific financial performance goal by dividing the actual dollar achievement by the pre-established target. For example, in fiscal 2018, for Mr. Kornberg: (i) the percentage achievement for his pre-tax profit goal (as defined below) was 150%, which was the maximum level determined because the achieved level, calculated by taking the achieved level of $33,195,642 and dividing it by the target of $20,000,000 was approximately 166.0%; (ii) the percentage achievement for his Adjusted EBITDA goal (as defined below) was approximately 104.5% which was calculated by taking the achieved Adjusted EBITDA of $78,374,633 and dividing it by the target of $75,000,000; and (iii) the percentage achievement for his free cash flow goal (as defined below) was 102.9%, which was calculated by taking the achieved level of free cash flow of $41,702,000 and dividing it by the target of $40,545,000. In each case, the threshold requirement that at least 70% of the target performance level be achieved was met.

- Determine the amounts payable for the achievement of all financial goals. The amount payable for each financial goal is determined by multiplying the percentage achievement by the individual NEO’s total targeted non-equity incentive award (in dollars) and then multiplying that result by the original weighting assigned to arrive at an amount payable. Each amount payable is added together to arrive at the total amount payable for all financial goals. For example, in fiscal 2018, Mr. Kornberg’s percentage achievement for his pre-tax profit goal was 150.0%, which was multiplied by $1,120,000 and then multiplied by 33.3% to arrive at $560,000 (adjusted for rounding). His percentage achievement for his Adjusted EBITDA goal was approximately 104.5%, which was multiplied by $1,120,000 and then multiplied by 33.3% to arrive at $390,132 (adjusted for rounding). His percentage of achievement for his free cash flow goal was 102.9%, which was multiplied by $1,120,000 and then multiplied by 33.3% to arrive at $383,987. The final payout to the CEO was the sum of these amounts, apportioned between share units and cash, with a total value of $1,334,141 (adjusted for rounding).

- Determine the amount payable for the achievement of personal goals for participating NEOs other than the CEO. This amount is calculated by multiplying the number of personal goals achieved by 5% and multiplying the result by the individual NEO’s total targeted non-equity incentive award (in dollars). Either a personal performance goal is achieved and results in earning 5% for that goal, or that goal is not achieved and no amount is payable in respect of that personal goal. In the case of Mr. Kornberg, no personal goals were assigned. The results achieved by other NEOs with regard to their personal goals are shown in the table above.

- Add the amounts payable for all financial goals and personal goals to calculate an amount potentially payable to the NEO. For NEOs with responsibility for particular business units, adjust this amount downward if the calculated payout would exceed the pre-set cap on payout as a percentage of the business unit's pre-tax profit. At this point, the ECC can determine whether it will exercise negative discretion, and in some cases, amounts of the calculated incentive award will be voluntarily reallocated to other employees in the NEO's business unit.

Use and Definitions of Pre-tax Profit, Adjusted EBITDA, Free Cash Flow, and Bookings

The ECC used pre-tax profits, Adjusted EBITDA, free cash flow and bookings as the financial performance goals for the annual non-equity incentive program for fiscal 2018. The ECC believes that the pre-tax profit measure is an appropriately broad financial measure that does not create distorted incentives that might impel undue risk taking. Likewise, the ECC believes that Adjusted EBITDA, free cash flow and bookings are effective performance metrics because we use these metrics in our business planning (as we do pre-tax profit), and they appropriately align our executives' interests with the creation of long-term stockholder value.

COMPENSATION DISCUSSION AND ANALYSIS

The financial measures -- pre-tax profit, Adjusted EBITDA and free cash flow -- used under the non-equity incentive plan are non-GAAP measures due to adjustments we make to the corresponding GAAP financial measures. The ECC believes these adjustments make the performance measures fairer and more accurate as a year-over-year comparison, and the ECC keeps the probable effects of adjustments in mind in setting the annual target level for these performance metrics.

For fiscal 2018, the calculation of our pre-tax profit, for purposes of our annual non-equity incentives, began with our GAAP income before provision for taxes and then was adjusted to eliminate certain effects, including: (i) stock-based compensation expense recorded pursuant to FASB ASC Topic 718, (ii) the amortization of newly acquired intangibles with finite lives relating to the acquisition of a trade or business, (iii) any adjustments required by the adoption of new accounting standards, (iv) certain costs associated with exit or disposal activities accounted for pursuant to FASB ASC Topic 420, (v) expenses associated with the termination of employees under FASB ASC Topics 420, 712 or 715 and related rules, (vi) impairment loss on goodwill or long-lived assets, (vii) expenses incurred in connection with a potential or actual business combination, (viii) expenses related to a potential or actual change-in-control matters, and (ix) any extraordinary item.

In fiscal 2018, we used an Adjusted EBITDA performance metric for NEOs with company-wide responsibilities. This Adjusted EBITDA metric was based first on GAAP net income and then adjusted to eliminate the expense of taxes, interest, depreciation and amortization. Additional information on Adjusted EBITDA can be found in our Management's Discussion and Analysis in our Annual Report on Form 10-K filed with the SEC on September 26, 2018.

The definition of free cash flow is calculated starting with our cash flow from operations as defined by GAAP. This figure is then reduced by the level of capital expenditures incurred by Comtech (or the applicable business operations) for property, plant and equipment (net of write-offs) and, for NEOs with company-wide responsibilities, by the amount of dividends paid by Comtech.

Bookings are based on the receipt of a purchase order from a customer and exclude any awards from the U.S. government or similar entity for which budgetary funding was not yet appropriated. For certain contracts with state and local governments (and their agencies) where we provide safety and security solutions, although funding is dependent on future budgets being approved, bookings are based on the estimated full value of the contracts given the critical nature of the services being provided and the positive historical experience of such budgets being passed.

Long-term Equity Incentive Awards In fiscal 2018, the ECC granted approximately 50% of non-salary total direct compensation to each of our NEOs in the form of long-term equity incentive awards. For each NEO, the long-term equity incentive awards were delivered equally in restricted stock units and in long-term performance shares. The ECC believes these types of share-based awards align the NEOs’ interests with those of our stockholders. The vesting terms of our equity awards provide a strong inducement for our executive officers to remain in long-term service to Comtech, and the inclusion of long-term performance goals in the performance shares promotes execution of our business strategy. These equity incentive awards are issued pursuant to our 2000 Stock Incentive Plan. Prior to fiscal 2017, the Company granted a portion of long-term incentive awards as stock options. The ECC determined instead to grant restricted stock or restricted stock units with five-year vesting periods starting in fiscal 2017, in order to provide a strong element promoting retention and the achievement of business goals largely independent of stock price changes.

The targeted dollar amount of compensation allocable to restricted stock units and long-term performance shares was converted into an estimated number of shares based on an estimated grant-date fair value (with rounding applied). The actual dollar value of restricted stock unit and performance share awards to our NEOs in fiscal 2018 are reflected in the “Summary Compensation Table” as “Stock Awards." The ECC intended that the two types of awards be granted in approximately equal valued amounts, valuing the long-term performance shares assuming achievement of the target level of performance.

COMPENSATION DISCUSSION AND ANALYSIS

In determining the actual amount of annual grants of long-term equity awards for each respective NEO, the ECC considered the estimated grant-date fair value of the awards. The ECC also considered each individual NEO's past and expected overall performance and his or her potential impact on our future success, and held a view toward maintaining aggregate internal pay equity. The ECC did not alter the level of long-term equity awards based on the built-up value, or absence of built-up value, of previously granted awards, or value realized by executives from previously granted awards.

The long-term performance shares granted in fiscal 2018, if earned, will entitle the recipient to receive shares of the Company's Common Stock based on achievement of revenue and Adjusted EBITDA goals (equally weighted) for the performance period of fiscal 2018 through fiscal 2020. The ECC believes that long-term performance shares provide appropriate incentives for management to focus on long-term financial results, and that these performance goals correlate with the value of our Common Stock.

In order to receive any shares under a long-term performance share award, an NEO must achieve 70% or more of at least one goal. If the performance goals are achieved at a level of 70% of target, the threshold level, the threshold number of long-term performance shares will be earned. A maximum of 200% of the long-term performance shares can be earned for achievement of the performance goals at the 200% level. The fiscal 2018 awards provide for potential payout when at least 70% (and up to 200%) of an individual goal for one year or two years was met, at which time the number of shares determined based on the achievement of the performance goals for the applicable one or two-year performance period will be earned. Subject to the participant remaining employed by the Company through the date the achievement of the performance goals for the full three fiscal year period are certified (the "Certification Date"), earned shares will be distributed to the participant at that time, except as provided below. In the event of the participant's death or disability prior to the completion of the full three fiscal year performance period, the participant will be entitled to receive a number of shares determined based upon the greater of (x) target achievement of the performance goals and (y) actual achievement of the performance goals through the end of the fiscal quarter in which the participant dies or becomes disabled, and any earned shares will be distributed to the participant (or the participant's estate, if applicable) within 60 days of the end of the fiscal quarter in which the participant dies or becomes disabled. If a participant is terminated by the Company without cause prior to the Certification Date, the participant will be entitled to receive for each one-, two- or three-year performance period then not complete, a number of shares equal to the number of shares the participant would earn based on actual achievement of the performance goals (measured as of the end of the fiscal quarter in which the termination occurs and projected through the end of the full three fiscal year performance period), and pro-rated for the portion of the performance period during which the participant was employed, and any earned shares will be distributed to the participant within 75 days following the Certification Date. For participants who, as of the grant date, have ten or more years of service with the Company, upon such participant's voluntary termination of employment prior to the Certification Date, the participant will be entitled to receive a number of shares determined based on actual achievement of the performance goals for the full three fiscal year period, pro-rated for the portion of the full three fiscal year performance period the participant was employed, and any earned shares will be distributed to the participant within 75 days following the Certification Date. All of our NEOs who received long-term performance share awards in fiscal 2018 had at least ten years of service as of the grant date. Long-term performance shares not earned based on one-year and two-year performance remain earnable based on three-year performance. If performance is achieved at a level between the threshold and target or between target and maximum, the payout level is determined through straight-line interpolation. Vested performance shares are settled after the end of the three-year performance period, subject to earlier settlement in cases of death, disability or for awards granted prior to fiscal 2018, termination by the Company not for cause. The specific target levels for long-term performance share goals are not disclosed in this proxy statement because such data is confidential business information, the disclosure of which would result in competitive harm that could have an adverse effect on the Company.

COMPENSATION DISCUSSION AND ANALYSIS

The fair value of the fiscal 2018 long-term performance shares was based on the market value of our Common Stock on the grant date. Dividend equivalents will be credited on outstanding awards, but they will be earned if and only to the extent the long-term performance shares are earned and become vested. For purposes of valuing these awards as a component of total direct compensation, the ECC valued the long-term performance shares using the target number (the accounting fair value of the target number of long-term performance shares is reflected in the “Stock Awards” column of the "Summary Compensation Table").

The ECC believes that the long-term equity awards granted in fiscal 2018, will promote the creation of long-term value for stockholders. The number of restricted stock units and long-term performance shares granted in fiscal 2018 to each NEO, and their estimated fair values, were as follows:

Named Executive Officer	Number of Shares of Restricted Stock Units Granted (#)	Target Number of Long-Term Performance Shares Granted (#)	Estimated Fair Value of Awards at Grant Date ($)
Fred Kornberg	30,702	30,702	$1,120,009
Michael D. Porcelain	12,226	12,226	446,004
Richard L. Burt	9,800	9,800	357,504
John Branscum, Jr.	10,486	10,486	382,529
Nancy M. Stallone	3,506	-	63,949

The restricted stock units and long-term performance shares were granted in early August 2017 with a grant-date fair value per share of $18.24.

All restricted stock units granted to NEOs in fiscal 2018 provided for vesting at 20% per year on the first five anniversary dates of the grant date. The long-term performance shares vest as described above, with any settlement to occur (except in limited circumstances such as death or disability) following the end of the three-year performance period. All equity awards are subject to accelerated vesting in specified circumstances.

On July 31, 2018, the three fiscal year performance period for the long-term performance shares granted in fiscal 2016 ended. For these awards, for NEOs with company-wide responsibilities, the target performance goal for Adjusted EBITDA and for revenues was exceeded (including in fiscal 2018), with the aggregate performance level being 139% of target, resulting in Mr. Kornberg earning 29,911 shares and Mr. Porcelain earning 9,043 shares over the full three-year performance period. In the case of Mr. Branscum, for whom the performance goals were tied to the business units for which he is responsible, the threshold performance level was met for one of the two performance metrics in a prior fiscal year within the performance period, resulting in him earning 2,292 shares over the full three-year performance period. In the case of Mr. Burt, the threshold performance levels for this award were not achieved, so Mr. Burt did not earn any shares in respect of this award. Ms. Stallone did not receive a long-term performance share award in fiscal 2016.

As of July 31, 2018, based on fiscal 2017 and 2018 performance, long-term performance shares potentially issuable for performance during the fiscal 2017 through fiscal 2019 performance period and the fiscal 2018 through fiscal 2020 performance period have met interim performance goals for the earning of shares as follows: Mr. Kornberg - 81,895 shares; Mr. Porcelain - 27,416 shares; Mr. Burt - 13,818 shares; and Mr. Branscum - 23,020 shares. Ms. Stallone has no outstanding awards of long-term performance shares.

COMPENSATION DISCUSSION AND ANALYSIS

Other Annual Compensation and Benefits – Although direct compensation, in the form of salary, non-equity incentive awards and long-term equity incentive awards provide most of the compensation to each NEO, we also provide for the following items of additional compensation:

- Retirement savings are provided by our tax qualified 401(k) plan, in the same manner available to all U.S. employees. This plan includes an employer matching contribution that is intended to encourage employees (including our NEOs) to save for retirement.

- Health, life and disability benefits are offered to NEOs in the same manner available to all of our U.S. employees. However, our Chairman and CEO has elected to enroll in a non-Company sponsored healthcare plan. We provide additional life insurance policies for our Chairman and each of our NEOs.

Perquisites are provided at modest levels to NEOs, primarily in the form of an automobile allowance. Our Chairman and CEO also receives a monthly expense allowance. These perquisites are intended to recognize senior employee status. Additional information is set forth in the "All Other Compensation" column of the "Summary Compensation Table."

Other Policies and Practices

Employment Agreements and Change-in-Control Practices
The ECC generally has relied on its history of fair treatment of NEOs as a basis for not entering into employment agreements, other than with our CEO. Our employment agreements have been intended to promote careful and complete documentation and understanding of employment terms, prevent uncertainty regarding those terms, promote good disclosure of those terms, help meet regulatory requirements under tax laws and other regulations and avoid frequent renegotiation of the employment terms.

We have entered into change-in-control agreements (or in the case of our Chairman and CEO, change-in-control provisions are included in his employment agreement) because we believe they provide important protection to our NEOs, in the form of improved job security, and also provide us a number of important benefits. First, they permit our NEOs to evaluate a potential change-in-control transaction while relatively free of concern for his or her own situation, minimizing the conflict between his or her own interests and those of our stockholders. Second, transactions take time to unfold, and ensuring a stable management team remains in place during the pendency of negotiations can help to preserve our operations in order to enhance the value delivered to the buyer – and thus the price paid to our stockholders – from a transaction. Third, if a transaction falls through, keeping our management team intact can help us to continue our business without undue disruption. Finally, the ECC believes that one of our greatest strengths is our management and workforce, so job security and protection is provided so that an acquirer could be expected to pay more to acquire the Company with the team remaining intact after the acquisition.

Chairman’s Employment Agreement

Key provisions of our Chairman and CEO’s employment agreement, as it affected service in fiscal 2018, were as follows:

- Annual base salary of $760,000 (subject to periodic review and increase).
- An annual incentive at a target amount that, when added to annual salary, equals $3.0 million for each full fiscal year.
- Reimbursement for term life insurance with a face value equal to the higher of (i) $3.5 million or (ii) five times Mr. Kornberg's then-effective base salary.
-

Certain payments and benefits following termination of employment, as described in the section entitled "Summary and Table of Potential Payments Upon Termination or Following a Change-in-Control." Mr. Kornberg is required to execute a release of claims in favor of Comtech in order to receive severance.

COMPENSATION DISCUSSION AND ANALYSIS

- Covenants for the protection of our business, including covenants relating to confidentiality of business information, non-solicitation of employees and non-competition (extending for two years after employment ends), return of Comtech property and non-disparagement.
- A term expiring on December 31, 2019.

Mr. Kornberg's employment agreement includes a “double-trigger” change-in-control provision that provides for severance payments and other benefits if circumstances constituting “Good Reason” (as defined in his employment agreement) arise within 2.5 years after a change-in-control and Mr. Kornberg elects to terminate employment for Good Reason. The agreement does not, however, provide any tax “gross-up” entitlement if payments under the agreement following a change-in-control were to subject him to the federal golden parachute excise tax. Instead, the agreement provides that payments under the agreement would be reduced if doing so, and thereby avoiding the excise tax, would place Mr. Kornberg in a better after-tax position. If the excise tax is triggered, however, it will be payable by Mr. Kornberg without reimbursement by the Company.

Change-in-Control Agreements with our NEOs other than Mr. Kornberg - We have entered into change-in-control agreements with our NEOs, other than the Chairman and CEO, which provide for certain payments in the event of a change-in-control followed by an involuntary termination of the NEO’s employment. Similar to our CEO’s employment agreement, these agreements include “double-trigger” change-in-control provisions and do not provide for any tax “gross-up” entitlements. These agreements are described further in the section entitled “Summary and Table of Potential Payments Upon Termination or Following a Change-in-Control.”

Indemnification Agreements

We have also entered into indemnification agreements with all of our NEOs and each member of our Board of Directors that provide for indemnification by the Company against certain liabilities incurred in the performance of their duties.

Minimum Equity Ownership Guidelines and Mandatory Holding Periods

Our Board of Directors has adopted minimum equity ownership guidelines and related holding requirements for our NEOs and our non-employee directors. The Board believes these guidelines align our NEOs’ and our non-employee directors’ interests with the interests of our stockholders.

The minimum equity ownership guidelines for our NEOs and our non-employee directors are as follows:

Title	Minimum Equity Ownership Interest
Chairman, CEO and President	6x annual base salary
Non-Employee Directors	6x annual base cash retainer
All Other NEOs	Lower of 2x annual base salary or 20,000 shares

As of July 31, 2018, all of our then serving NEOs and our non-employee directors held equity positions that met their full applicable guidelines.

In establishing our equity ownership guidelines, our Board of Directors considered that the specified ownership levels are considered to be “robust” under the polices issued by Institutional Shareholder Services Inc. (“ISS”), a leading proxy advisory services firm for many of our institutional stockholders. NEOs that join Comtech or are promoted in the future must satisfy these guidelines within approximately six years of attaining such position.

To promote compliance with the minimum equity ownership guidelines shown above, our annual equity compensation for non-employee directors provides for a grant of restricted stock units rather than restricted stock, unless the director has already met the minimum equity ownership guidelines as of December 31st of the year prior to grant. A non-employee director granted restricted stock units receives an award with a value of approximately $120,000. Thus, the grant of restricted stock units does not change the aggregate value of equity compensation granted to a non-employee director in any given fiscal year. Once a director has reached his or her minimum equity ownership, he or she can once again receive annual grants of restricted stock.

COMPENSATION DISCUSSION AND ANALYSIS

Until applicable minimum equity ownership guidelines are met, non-employee directors and executive officers are required to hold any shares received from the exercise of stock options issued in fiscal 2011 or later or the delivery of shares pursuant to a restricted stock-based award, less the number of shares used for the payment of any related exercise price and applicable taxes. Once executive officers or non-employee directors have met their applicable equity ownership guideline, they are required to maintain their minimum equity ownership interest through the date their employment or directorship ends.

The ECC can waive or defer an individual’s compliance with the equity ownership guidelines if it determines that compliance would impose an undue financial hardship on the individual or if it is not in our best interests to apply these guidelines to that individual. In order to facilitate compliance with the equity ownership guidelines, the ECC can determine that an individual NEO’s annual non-equity incentive plan award may be settled in the form of share units, with the number of share units to be granted based on the fair market value of the Common Stock underlying the share units at the time the annual non-equity incentive award otherwise would have been settled (or a later date specified by the ECC).

Recoupment Policy

Our non-equity incentive award payouts and equity awards made to all of our NEOs are subject to a recoupment policy (often referred to as a “clawback” policy). Pursuant to the recoupment policy, under certain circumstances, including if the NEO were to engage in certain activities that would be grounds for termination for cause, if the employee competed with us or if the employee engaged in other specified activities detrimental to us (i) the NEO would be required to forfeit a specified portion of the annual non-equity incentive award, and (ii) the NEO would forfeit all equity awards (whether or not vested) and would be required to repay the Company the full value (if any) of such awards that the NEO received.

The recoupment policy with respect to the equity awards applies through the date that is the later of (i) one year following the termination of the NEO’s employment, or (ii) one year following the NEO engaging in such activities.

A specified portion of non-equity incentive payouts may also be forfeited if, during the 12 months after payment to the NEO, the NEO voluntarily terminates employment, subject to exceptions in specified circumstances.

Insider Trading Policy

We recognize that our NEOs and directors may sell shares from time to time in the open market to realize value to meet financial needs and diversify their holdings, particularly in connection with stock option exercises. All transactions in our Common Stock are required to comply with our insider trading policy.

When selling their Comtech shares, our executives and non-employee directors are encouraged to utilize SEC Rule 10b5-1 trading plans.

Anti-Hedging Policy

We have a policy that precludes our NEOs and directors from short selling or buying exchange-traded put options or call options associated with our stock, without the advance approval of the ECC. We aim to restrict these transactions because they could serve to “hedge” the risk of owning our stock and otherwise can be highly speculative transactions with respect to our stock.

Tax Deductibility of NEO Compensation

Section 162(m) of the Internal Revenue Code generally limits our annual tax deduction to $1.0 million, per executive, for compensation paid to our Chairman and CEO and other NEOs. However, although Section 162(m) was in effect for fiscal 2018, certain exceptions were available for compensation paid to our COO (who served as CFO during fiscal

2018) and for compensation qualifying as “performance-based compensation.”

We structured our fiscal 2018 non-equity incentive awards with the intent that they be substantially deductible without limitation under Section 162(m). Long-term performance shares granted in fiscal 2018 and earlier years also have terms that we intended would qualify the awards for full tax deductibility under Section 162(m). However, restricted stock unit grants generally would not qualify as performance-based compensation for purposes of Section 162(m) under the rules in effect in fiscal 2018 and earlier years.

COMPENSATION DISCUSSION AND ANALYSIS

As part of the United States tax reform legislation enacted on December 22, 2017, the performance-based compensation exception from the $1.0 million deductibility limit for compensation paid to our NEOs (excluding our CFO) was repealed, among other changes. These changes to Section 162(m) will apply to Comtech in fiscal 2019 and thereafter. As a result, compensation paid to our NEOs in excess of $1.0 million generally will not be deductible unless it qualifies for "grandfathering" relief applicable to certain contractual arrangements in place as of November 2, 2017 that are not materially modified after that date. Because of uncertainties relating to the application and interpretation of the "grandfathering" relief, no assurances can be given at this time that our existing compensation arrangements, even if in place on November 2, 2017, will satisfy the requirements for "grandfathering." It is likely that a larger proportion of NEO compensation will be non-deductible in fiscal 2019 and thereafter as compared to fiscal 2018 and earlier years.

While the ECC has taken steps in the past to preserve tax deductibility under Section 162(m), it has retained and will continue to retain authority to approve compensation arrangements that may not be fully tax deductible under Section 162(m). The principal objective of the ECC in establishing and approving our compensation arrangements is to help Comtech attract, retain and appropriately reward our management team with the extent to which a related tax deduction may be available being but one consideration, among many.

Independent Reviews of Executive Compensation

In the past several years, the ECC has engaged independent executive compensation consulting firms to perform reviews of our executive compensation programs and practices and to validate certain feedback that we heard from certain of our stockholders. In fiscal 2015 and fiscal 2016, the ECC engaged the executive compensation consulting firm Gallagher & Co. The ECC considered the six factors specified under applicable NASDAQ listing standards and other relevant information concerning potential conflicts of interest, and determined that Gallagher & Co. is independent. Prior to fiscal 2015, the ECC had retained Steven Hall, an executive compensation consulting firm determined by the ECC to be independent.

The ECC engaged in an extensive review of our executive compensation process as in effect from fiscal 2013 through fiscal 2016, which included review of the results of compensation studies provided by the ECC’s independent compensation consultants. These actions of the ECC are discussed in detail in the Compensation Discussion and Analysis portion of our 2014 - 2016 proxy statements. Because the ECC determined to make no significant changes in the levels of compensation of our NEOs for fiscal 2018, it did not obtain and review an updated compensation study in the period leading into fiscal 2018 or during the fiscal year.

The ECC believes that a number of factors make our compensation program appropriate:

- The management team, including the Chairman and CEO, has extensive experience and an outstanding track record in the telecommunications equipment industry;
- The management team has a history of successful integration of acquisitions and product innovation, and the fiscal 2018 results is further evidence of this. These efforts will be crucial for the future success of Comtech;
- Even in the face of challenging business conditions, management has delivered consistent operational profitability;
- The Company’s cash position and cash flow provides our Board with the opportunity to pay annual dividends and repurchase shares, and the ability to make acquisitions. The ECC believes that our NEOs have a superior record of deploying capital productively; and

- Our corporate executive team is lean. Our corporate NEOs oversee functions, such as legal, information technology, investor relations, and administration that, at many companies, have a separate department led by a senior executive officer. As such, benchmark comparisons of actual compensation based on title alone may not be fully comparable due to the breadth of responsibilities of Comtech's executives.

COMPENSATION DISCUSSION AND ANALYSIS

The ECC believes that our NEOs' skills and experience are critical and will drive long-term total stockholder returns and that each of our individual NEOs' fiscal 2018 compensation is well aligned with our fiscal 2018 performance and our long-term stockholder returns.

Executive Compensation Committee Interlocks and Insider Participation

During fiscal 2018, Messrs. Kaplan, Kantor, and Waldman served as members of our Executive Compensation Committee. No member of our Executive Compensation Committee (i) is or was, during fiscal year 2018, an employee or an officer of Comtech or its subsidiaries, (ii) was previously an officer of Comtech or subsidiaries or, (iii) has any relationship requiring disclosure as a related person transaction.

During fiscal 2018, no executive officer of Comtech served as a director or a member of the compensation committee of another company whose executive officers served on the compensation committee of Comtech. In fiscal 2018, Mr. Porcelain became a director, chairman of the audit committee and member of the executive compensation committee of Air Industries Group. No interlock was created as a result of this appointment.

Executive Compensation Committee Report

Our Executive Compensation Committee has furnished the following report. The information contained in this "Executive Compensation Committee Report" is not to be deemed to be "soliciting material" or to be "filed" with the SEC, nor is such information to be incorporated by reference into any future filings under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filings.

Our Executive Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K of the Exchange Act with management.

Based on such review and discussions, our Executive Compensation Committee recommended to our Board of Directors that the "Compensation Discussion and Analysis" be included in this Proxy Statement and in our Annual Report on Form 10-K for the fiscal year ended July 31, 2018 for filing with the SEC.

Executive Compensation Committee

Ira S. Kaplan, Chairman
Edwin Kantor
Lawrence J. Waldman

FISCAL 2018 COMPENSATION TABLES

Executive Compensation

The table below provides information concerning the compensation of our NEOs for the fiscal years ended July 31, 2018, 2017 and 2016.

Summary Compensation Table - Fiscal 2018

Name and Principal Position	Fiscal Year	Salary	Bonus	Option Awards (3)	Stock Awards (4)	Non-Equity Incentive Plan Compensation (5)	All Other Compensation (6)	Total
Fred Kornberg (1)	2018	$760,000	$ —	$ —	$ 1,120,009	$ 1,334,141	$ 220,796	$ 3,434,947
Chairman, CEO &	2017	760,000	—	—	1,149,994	1,299,132	222,367	3,431,493
President	2016	760,000	—	452,350	609,525	1,025,700	166,955	3,014,530
Michael D. Porcelain (2)	2018	408,000	—	—	446,004	509,951	50,441	1,414,396
Sr. VP and Chief	2017	408,000	—	—	374,276	500,009	37,680	1,319,965
Operating Officer	2016	408,000	—	181,800	184,275	419,862	44,942	1,238,879
Richard L. Burt	2018	385,000	—	—	357,504	—	63,508	806,012
Sr. VP and President	2017	385,000	—	—	362,938	51,863	53,897	853,698
Comtech Systems, Inc.	2016	385,000	—	163,620	170,100	89,028	51,737	859,485
John Branscum, Jr.	2018	335,000	—	—	382,529	331,802	17,268	1,066,600
Sr. VP and President	2017	325,000	—	—	364,150	247,656	26,193	962,999
Comtech EF Data Corp. and Comtech Xicom Technology, Inc.	2016	325,000	—	175,740	170,100	135,027	34,329	840,196
Nancy M. Stallone VP of Finance	2018	283,250	145,018 (7)	—	63,949	—	36,636	528,853

(1) Our Chairman, CEO and President had an employment agreement in effect in fiscal 2018, but our other NEOs did not. The significant provisions of this agreement, including termination provisions, are further described under the headings “Other Policies and Practices” and “Summary and Table of Potential Payments Upon Termination or Following a Change-in-Control.”

(2) Mr. Porcelain served as our Chief Financial Officer from March 2006 through September 30, 2018. Effective October 1, 2018, Mr. Porcelain was promoted to the position of Chief Operating Officer.

(3) These amounts represent the aggregate grant date fair value of stock options, calculated in accordance with FASB ASC Topic 718, granted in fiscal 2016. Assumptions used in the calculation of these amounts are discussed in Note 11 to our consolidated audited financial statements for the fiscal year ended July 31, 2018, included in our Annual Report on Form 10-K filed with the SEC on September 26, 2018.

FISCAL 2018 COMPENSATION TABLES

(4) These amounts represent the aggregate grant date fair value of grants of performance-based restricted stock units (considered Performance Shares under our 2000 Stock Incentive Plan), time-vested restricted stock units and shares of restricted stock units, calculated in accordance with FASB ASC Topic 718, granted in fiscal 2016, 2017 and 2018. Assumptions used in the calculation of these amounts are discussed in Note 11 to our consolidated audited financial statements for the fiscal year ended July 31, 2018, included in our Annual Report on Form 10-K filed with the SEC on September 26, 2018. Performance-based restricted stock units awarded in fiscal 2018 have a three-year performance period (fiscal 2018 through fiscal 2020). The number of restricted stock units that may be earned based on performance over the full performance period can range from 70% of the target number if performance goals are achieved at the threshold performance level, to 200% of the target number if performance goals are achieved at the maximum performance level or zero if not achieved. See "Compensation Discussion and Analysis" and the "Table of Grants of Plan-Based Awards - Fiscal 2018." No part of the performance-based restricted stock units will be earned if such performance fails to reach the threshold performance level for at least one of the performance goals. The amounts included for fiscal 2018 in this column are the grant date fair values of the target number of performance-based restricted stock units together with the fair values of the full number of time-based restricted stock units granted to the indicated NEO. In fiscal 2018, stock awards included restricted stock units as follows: Mr. Kornberg, $560,004; Mr. Porcelain, $223,002; Mr. Burt, $178,752; Mr. Branscum, $191,265; and Ms. Stallone, $63,949. If the performance goals for the three-year performance period were to be achieved at the maximum levels, the grant-date fair value of the performance-based restricted stock units included in the amounts in this column would be as follows: Mr. Kornberg, $1,120,009 (rather than $560,004); Mr. Porcelain, $446,004 (rather than $223,002); Mr. Burt, $357,504 (rather than $178,752); and Mr. Branscum, $382,529 (rather than $191,265). Dividend equivalents accrue as cash amounts on the 2018 performance-based and/or time-based restricted stock unit awards granted, subject to the same performance-based and time-based vesting requirements that apply to the granted restricted stock units.

(5) Non-equity incentive plan compensation for each fiscal year was settled at or shortly after fiscal year end upon final approval by the ECC and subject to the issuance of the Company's annual audited financial statements. Awards granted in fiscal 2016 were settled in cash. Awards granted in fiscal 2017 and fiscal 2018 were settled mostly in fully vested share units and, for some NEOs, a small portion in cash. The details of the determination of the fiscal 2018 non-equity incentive plan compensation for our NEOs are discussed in the section of this Proxy Statement entitled "Compensation Discussion and Analysis."

(6) See "Details of All Other Compensation" table below. Amounts in this table reflect amounts reported in each individual NEO's IRS Form W-2 relating to the calendar year that ended during such fiscal year.

Details of All Other Compensation

Name	401(k) Matching Contribution	Term Life Insurance	Automobile Allowance	Unused Vacation Time Paid Out	Expense Allowance	Health Savings Account Matching Contribution	Total "All Other" Compensation
Fred Kornberg	$10,800	$128,542	$7,993	$58,462	$15,000	-	$220,796
Michael D. Porcelain	10,800	6,756	-	31,385		1,500	50,441
Richard L. Burt	10,800	29,015	-	23,693	-	-	63,508
John Branscum, Jr.	10,800	-	-	6,468	-	-	17,268
	10,800	5,263	6,000	13,073	-	1,500	36,636

Nancy M.
Stallone

(7) This amount represents a discretionary cash bonus awarded to Ms. Stallone for her performance during fiscal 2018. See "Overview and Components of Fiscal 2018 Compensation Opportunities - Cash Bonuses" in the Compensation Discussion and Analysis above for additional information regarding Ms. Stallone's cash bonus.

FISCAL 2018 COMPENSATION TABLES

Table of Grants of Plan-Based Awards - Fiscal 2018

Name	Grant Date	(1) (2) Estimated Future Payouts Under Fiscal 2018 Non-Equity Incentive Plan Awards			(3) Estimated Future Payouts Under Fiscal 2018 Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	(4) Grant Date Fair Value of Stock and Option Awards ($)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Fred	Sep 26, 2017	$784,000	$1,120,000	$1,680,000	-	-	-	-	-
Kornberg	Aug 9, 2017	-	-	-	21,491	30,702	61,404	-	$560,004
	Aug 9, 2017	-	-	-	-	-	-	30,702	560,004
	Jul 31, 2018	-	-	-	-	-	-	36,979 (2)	1,242,494 (2)
Michael D.	Sep 26, 2017	345,650	446,000	613,250	-	-	-	-	-
Porcelain	Aug 9, 2017	-	-	-	8,558	12,226	24,452	-	223,002
	Aug 9, 2017	-	-	-	-	-	-	12,226	223,002
	Jul 31, 2018	-	-	-	-	-	-	14,881 (2)	500,002 (2)
Richard L.	Sep 26, 2017	277,063	357,500	491,563	-	-	-	-	-
Burt	Aug 9, 2017	-	-	-	6,860	9,800	19,600	-	178,752
	Aug 9, 2017	-	-	-	-	-	-	9,800	178,752
	Jul 31, 2018	-	-	-	-	-	-	-	-
John	Sep 26, 2017	296,438	382,500	502,500	-	-	-	-	-
Branscum,	Aug 9, 2017	-	-	-	7,340	10,486	20,972	-	191,265
Jr.	Aug 9, 2017	-	-	-	-	-	-	10,486	191,265
	Jul 31, 2018	-	-	-	-	-	-	9,692 (2)	325,651 (2)
Nancy	Aug 9, 2017	-	-	-	-	-	-	3,506	63,949
Stallone	Jul 31, 2018	-	-	-	-	-	-	4,316 (2)	145,018 (2)

(1) Our fiscal 2018 non-equity incentive awards were granted under our 2000 Stock Incentive Plan and, in the case of Mr. Kornberg, also included an amount payable under his employment agreement. Amounts presented as "Threshold" assume all personal goals (if applicable) were achieved, and all financial performance goals were met at

the threshold level (i.e., 70% of target). Amounts presented as “Maximum” assume all personal goals (if applicable) were achieved, and all financial performance goals were met at the maximum level of 150% of target (in some cases, a lower maximum award limit applies, based on a pre-specified multiple of salary).

(2) For NEOs, other than Ms. Stallone, these amounts represent share units granted at the end of the fiscal year as a partial or full payout of the awards described in the columns headed "Estimated Future Payouts Under Fiscal 2018 Non-Equity Incentive Plan Awards." The dollar value of final fiscal 2018 non-equity incentive plan award payable is included in the Summary Compensation Table in the column headed "Non-Equity Incentive Plan Compensation," as described in Note (4) to the “Summary Compensation Table - Fiscal 2018.” For Ms. Stallone, the amount represents share units granted at the end of a fiscal year as a full payout of her cash bonus, the dollar value of which is reported in the "Summary Compensation Table" in the column headed "Bonus."

(3) Performance-based restricted stock units were granted pursuant to our 2000 Stock Incentive Plan, and are considered Performance Shares under the terms of the plan. See Note (3) to the “Summary Compensation Table – Fiscal 2018.”

(4) For stock awards, this amount represents the grant-date fair value of the target number of performance-based restricted stock units and the grant-date fair value of the full number of shares of time-based restricted stock units and share units.

FISCAL 2018 COMPENSATION TABLES

Outstanding Equity Awards at Fiscal Year End – Fiscal 2018

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#) (1)	Number of Securities Underlying Unexercised Options Unexercisable (#) (1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested ($) (1)	Equity Incentive Plan Awards: Number of Unearned Shares of Stock or Other Rights That Have Not Vested (#) (1)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units of Stock or Other Rights That Have Not Vested ($) (1)
Fred	8/9/2017	-	-	-	-	30,702	1,031,587	30,702	1,031,587
Kornberg	8/9/2016	-	-	-	-	31,027	1,042,507	48,669	1,635,278
	9/21/2015	33,200	49,800	26.62	9/21/2025	-	-	-	-
	8/4/2015	-	-	-	-	-	-	21,500	722,400
	8/4/2014	51,000	34,000	33.94	8/4/2024	-	-	-	-
	8/1/2013	68,000	17,000	27.25	8/1/2023	-	-	-	-
	6/5/2013	60,000	-	26.08	6/5/2023	-	-	2,157	72,475
	6/6/2012	50,000	-	29.51	6/6/2022	-	-	-	-
	6/2/2011	100,000	-	27.67	6/2/2021	-	-	-	-
	6/2/2010	100,000	-	28.84	6/2/2020	-	-	-	-
Michael D.	8/9/2017	-	-	-	-	12,226	410,794	12,226	410,794
Porcelain	8/9/2016	-	-	-	-	11,385	382,536	14,231	478,162
	8/4/2015	12,000	18,000	28.35	8/4/2025	-	-	6,500	218,400