COMTECH TELECOMMUNICATIONS CORP /DE/
Form DEF 14A
November 16, 2017
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):
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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 2017 Annual Meeting of Stockholders and Proxy Statement

December 5, 2017 at 10 a.m., Eastern Time
68 S. 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 2017 ANNUAL MEETING OF STOCKHOLDERS

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November 16, 2017

Dear Stockholder:

On behalf of the Board of Directors (the “Board”) and management, we cordially invite you to attend the Fiscal 2017 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 5, 2017 at our corporate headquarters located at 68 South Service Road, Lower Level Auditorium, Melville, New York, 11747. The Notice of Fiscal 2017 Annual Meeting of Stockholders, Proxy Statement and proxy card are enclosed.

Your Board recommends that you promptly vote “FOR” Proposals 1, 2, 4 and 5, and "ONE YEAR" for Proposal 3 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 2017 Annual Meeting of Stockholders to be Held on December 5, 2017.

Our Proxy Statement and Fiscal 2017 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 2017 ANNUAL MEETING OF STOCKHOLDERS

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Date	December 5, 2017
Time	10:00 a.m., Eastern Time
Place	68 S. 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 24, 2017
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 or not you plan to be present at the Annual Meeting in person. 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 Ira S. Kaplan and Dr. Yacov A. Shamash 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, 2020. 2. To conduct an advisory vote on the compensation of Named Executive Officers as disclosed in this Proxy Statement. 3. To conduct an advisory vote on the frequency of future advisory votes on the compensation of Named Executive Officers. 4. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the current fiscal year ending July 31, 2018. 5. To approve an increase in the number of shares of our Common Stock available under the 2000 Stock Incentive Plan (the "2000 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 Stallone
Secretary
November 16, 2017

2017 Proxy Statement

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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 5, 2017	Election of Two Directors An advisory vote on the compensation of the Named Executive Officers as disclosed in this Proxy Statement An advisory vote on the frequency of Named Executive Officers' compensation advisory votes Ratification of the selection of our independent registered public accounting firm Approval of an increase in the number of shares of our Common Stock available under the 2000 Stock Incentive Plan
Time	10 a.m., Eastern Time	
Place	68 S. Service Road, Lower Level Auditorium, Melville, NY 11747	
Record Date	Stockholders as of October 24, 2017 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.	

Voting matters and vote recommendation

Item	Board recommendation	Reasons for recommendation	More info
Election of two directors	FOR	The Board and Nominating and Governance Committee believe that the two Board candidates possess the	Page 52

			skills, experience, and diversity to effectively monitor performance, provide oversight, and advise management on the Company’s long-term strategy.	
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 53
3.	Proposal regarding the frequency (on an advisory basis) of Named Executive Officers' compensation advisory votes	ONE YEAR	The Board believes that "say-on-pay" votes every year will provide the Board with valuable feedback from stockholders on the Company's executive compensation policies and practices.	Page 54
4.	Ratification of selection of independent registered public accounting firm	FOR	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.	Page 55
5.	Approval of an increase in the number of shares of our Common Stock available under the 2000 Stock Incentive Plan (the "2000 Plan")	FOR	The approval of an increase in the number of shares available for awards under the 2000 Plan which will allow us to grant equity-based awards to eligible participants to attract, motivate and retain such participants.	Page 56

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 secure website.	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.

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 Ira S. Kaplan and Dr. Yacov A. Shamash 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 2020 fiscal year;
- An advisory vote on the compensation of Named Executive Officers as disclosed in this Proxy Statement;
- An advisory vote on the frequency of future advisory votes on the compensation of Named Executive Officers;
- Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2018 fiscal year;
- Approval of an increase in the number of shares of Common Stock available under our 2000 Plan and related actions; 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 in order 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 24, 2017 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 24, 2017, 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, 2017.

ABOUT THE PROXY STATEMENT

How do stockholders vote?

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

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.

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 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.

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 Financial Officer ("CFO") 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 2018 (Proposal No. 4) 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 2017 Annual Meeting of Stockholders:

- The election of members to our Board of Directors;

- The advisory vote on the compensation of Named Executive Officers as disclosed in this Proxy Statement;

- The advisory vote on the frequency of future advisory votes on the compensation of Named Executive Officers; and

- The proposed amendment to our 2000 Plan and related items.

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.

ABOUT THE PROXY STATEMENT

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.

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 24, 2017, the record date for the Annual Meeting, 23,617,448 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.

Selection of the Frequency of Future Executive Compensation Advisory Votes. Since Proposal No. 3 is an advisory vote with multiple choices, the provisions of our By-Laws regarding the vote required to "approve" a proposal are not applicable to this matter. Abstentions and broker non-votes will not be counted as expressing any preference. We will consider the frequency that receives the highest number of votes cast by stockholders to be the frequency that has been selected by stockholders. However, because this vote is advisory and non-binding on us or our Board in any way, our Board may decide that it is in our and our stockholders' best interests to hold an advisory vote on executive compensation more or less frequently than the option selected by our stockholders.

Ratification of Selection of Accounting Firm. The ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2018 will require the affirmative vote of a majority of the shares voted in person or by proxy.

ABOUT THE PROXY STATEMENT

Approval of our Amended 2000 Stock Incentive Plan and Related Items. The approval of our amended 2000 Plan and related items will require the affirmative vote of a majority of the shares voted in person or by proxy on the proposal.

Other Matters. Approval of any other matter that comes before the Fiscal 2017 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 approval of the amended 2000 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.

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 Named Executive Officers as disclosed in this Proxy Statement;
- Proposal No. 3 - ONE YEAR for the proposal (on an advisory basis) regarding the frequency of executive compensation advisory votes;
- Proposal No. 4 - FOR the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2018; and
- Proposal No. 5 - FOR the approval of an increase in the number of shares of Common Stock available under our 2000 Plan and related actions.

Other Business and Information

We have enclosed our Annual Report for fiscal 2017 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 2017 Annual Meeting of Stockholders. If other matters do come before the Fiscal 2017 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.

ABOUT THE PROXY STATEMENT

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 2017 Annual Meeting of Stockholders will be available for inspection beginning November 25, 2017 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 2017 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.

The Fiscal 2017 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 2017 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 2017 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 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 by each principal stockholder of Schedule 13G 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 24, 2017.

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	2,836,568	12.0%
Huber Capital Management, LLC (2) 2321 Rosecrans Ave, Suite 3245 El Segundo, CA 90245	2,559,566	10.8%
The Vanguard Group (3) 100 Vanguard Blvd. Malvern, PA 19355	1,576,439	6.7%
Dimensional Fund Advisors, L.P. (4) Building One, 6300 Bee Cave Road Austin, TX 78746	1,467,081	6.2%
Royce & Associates, L.P. (5) 745 Fifth Avenue New York, NY 10151	1,287,895	5.5%

(1) The information is based on a Form 13G filed by BlackRock Inc. with the SEC, reporting beneficial ownership as of December 31, 2016. Of the shares reported in the table as beneficially owned, BlackRock, Inc. had sole voting power over 2,787,735 shares and sole dispositive power over all of the shares.

(2) The information is based on a Form 13G filed by Huber Capital Management, LLC with the SEC, reporting beneficial ownership as of May 31, 2017. Of the shares reported in the table as beneficially owned, Huber Capital Management, LLC had sole voting power over 1,175,992 shares and sole dispositive power over all of the shares.

(3) The information is based on a Form 13G filed by The Vanguard Group with the SEC, reporting beneficial ownership as of December 31, 2016. Of the shares reported in the table as beneficially owned, The Vanguard Group had sole voting power over 25,033 shares, shared voting power over 1,000 shares, sole dispositive power over 1,551,621 shares, and shared dispositive power over 24,818 shares.

(4) The information is based on a Form 13G filed by Dimensional Fund Advisors, L.P. with the SEC, reporting beneficial ownership as of December 31, 2016. Of the shares reported in the table as beneficially owned,

Dimensional Fund Advisors, L.P. had sole voting power over 1,433,996 shares and sole dispositive power over all of the shares.

(5) The information is based on a Form 13FG filed by Royce & Associates, L.P. with the SEC, reporting beneficial ownership as of December 31, 2016.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, 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 2017.

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 2017, and the three highest paid executive officers other than our Chief Executive Officer or Chief Financial Officer (collectively, the "Named Executive Officers" or "NEOs") and all current directors and executive officers as a group, as of October 24, 2017.

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

Name	(1) Shares Beneficially Owned on October 24, 2017	Percent of Class
Non-employee Directors (listed alphabetically):		
Edwin Kantor	35,323	*
Ira S. Kaplan	21,113	*
Robert G. Paul	26,566	*
Dr. Yacov A. Shamash	2,214	*
Lawrence J. Waldman	9,226	*
Named Executive Officers (listed alphabetically):		
John Branscum, Jr.	129,178	*
Richard L. Burt	251,315	1.1%
Michael Galletti (2)	14,615	*
Fred Kornberg	940,832	3.9%
Michael D. Porcelain	292,494	1.2%
Dr. Stanton D. Sloane (3)	29,846	*
All current directors and executive officers as a group (9 persons)	1,708,261	7.0%

* Less than one percent

(1) Includes: (i) 2,687 stock units held by Mr. Paul, (ii) 5,448 restricted stock units held by Mr. Kantor, 9,604 restricted stock units held by Mr. Kaplan, 8,181 restricted stock units held by Mr. Paul, 2,214 restricted stock units held by Dr. Shamash, and 2,281 restricted stock units held by Mr. Waldman (iii) 12,435 performance shares held by Mr. Kornberg and 2,084 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 24, 2017: Mr. Kantor 22,500 shares; Mr. Kaplan 7,500 shares; Mr. Paul 3,750 shares; Mr. Burt 74,500 shares, Mr. Kornberg 450,200 shares; Mr. Porcelain 205,350 shares; Mr. Waldman 6,945 shares; Mr. Branscum 102,200 shares and all current directors and executive officers as a group 872,945 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. Galletti served as Chief Operating Officer from September 26, 2016 through September 27, 2017. On September 28, 2017, Mr. Galletti changed positions and was appointed Senior Advisor, Business Development for our Government Solutions segment. On October 4, 2017, we entered into a Transition Agreement with Mr. Galletti under which we agreed his employment by Comtech will end on January 12, 2018.

(3) The amount for Dr. Sloane represents the shares beneficially owned as reported on his last filed Form 4. This amount includes 28,846 shares of restricted stock granted in fiscal 2017, which were revoked upon his resignation as the Chief Executive Officer and President of the Company on October 6, 2016.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Directors and Executive Officers

Name	Principal Occupation	Age	For Term Expiring In	Served As Director Since
Directors nominated for election at Fiscal 2017 Annual Meeting:				
Ira S. Kaplan	Private Investor	81	2020	2002
Dr. Yacov A. Shamash	Vice President of Economic Development at Stony Brook University	67	2020	2016
Continuing Directors (in order of expiration of current term):				
Robert G. Paul	Private Investor	75	2018	2007
Lawrence J. Waldman	Senior Advisor at First Long Island Investors, LLC	71	2018	2015
Fred Kornberg	Chairman, CEO and President of Comtech	81	2019	1971
Edwin Kantor	Chairman of S2K Partners LLC	85	2019	2001
Other Executive Officers (listed alphabetically):				
John Branscum, Jr.	Senior Vice President; President of Comtech EF Data Corp. and Xicom Technology, Inc.	58	-	-
Richard L. Burt	Senior Vice President of Comtech; President of Comtech Systems, Inc.	76	-	-
Michael D. Porcelain	Senior Vice President; Chief Financial Officer of Comtech	48	-	-

Our Nominees' Biographies and Director Qualifications

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 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

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 Committee of the Board of Directors:

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

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

Continuing Directors' 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 boards of directors of CVD Equipment Corp and 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, a member of the boards of directors of the Long Island Angel Network and the Advanced Energy Research Center at Stony Brook University, and a member of the Dean's Advisory Board of the Hofstra University Frank G. Zarb School of Business. Mr. Waldman serves as a member of the State University of New York's Board of Trustees. He also serves as the Chairman of the Supervisory Committee of Bethpage Federal Credit Union. Mr. Waldman previously served 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

Fred Kornberg (Chairman, Chief Executive Officer and President)

Biography

Mr. Kornberg is CEO and President as well as 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 was previously 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 the Executive Committee of the Board of Directors.

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 Chairman of 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 Chairman of S2K Partners LLC, Mr. Kantor brings to us emerging and evolving knowledge related to strategic planning, capital raising, mergers and acquisitions and economic analysis.

STOCKHOLDERS, DIRECTORS AND EXECUTIVE OFFICERS

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

Our Other Current Executive Officers (listed in alphabetical order)

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.

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 been Senior Vice President and Chief Financial Officer of Comtech since March 2006 and was previously 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. Mr. Porcelain is an Adjunct Professor at St. John’s University located in New York where he teaches graduate level accounting courses.

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.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

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.

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/directors.cfm):

- 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.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

- 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.

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 Stock Market ("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 2017, 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.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

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 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.

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.

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

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

• financial acumen and corporate governance experience.

Our Nominating and Governance Committee also believes that individual candidates should also demonstrate high levels of commitment, adequate availability to actively participate in our Board of Directors' affairs, and high levels of integrity 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 2017, our Nominating and Governance Committee held two meetings.

Audit

Our Audit Committee functions include engaging our independent registered public accounting firm; 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, evaluating related party transactions, engaging and discharging our independent registered public accounting firm, and approving services to be performed by such firm and related fees.

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 2017, our Audit Committee held six 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 CFO 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 are allowed to 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 six 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 2017, our Science and Technology Committee held one meeting.

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 2017, 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 2016 Annual Meeting of Stockholders in person.

Our Board of Directors held thirteen meetings during fiscal 2017, including regularly scheduled and special meetings.

During fiscal 2017, all of our incumbent directors attended more than 97% of the meetings held by the Board of Directors, and all committees on which they served.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

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.

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 of 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 2017 (1)

Name	Fees Earned or Paid in Cash (2)	Stock Awards (3)	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) Effective November 1, 2016, director compensation fees increased to the amounts noted on the following page. The amounts in this column represent the annualized amount of fees earned or paid in cash based on the current fee schedule and does not reflect the actual amount of fees received by each director for fiscal 2017.

(3) The amounts in this column represent the aggregate grant date fair value, calculated in accordance with SEC rules, of restricted stock units and restricted stock granted on August 9, 2017 (i.e., shortly after fiscal 2017). At that date, Messrs. Kantor, Kaplan, Paul, Shamash, and Waldman each received 6,579 restricted stock units, each with a fair value of $18.24. At July 31, 2017, Messrs. Kaplan, Kantor, and Waldman held 9,125 unvested restricted stock units, Mr. Paul held 1,447 unvested restricted stock units and 8,869 unvested restricted stock, and Dr. Shamash held 8,857 unvested restricted stock units.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

In fiscal 2017, each non-employee director received an annualized cash retainer of $50,000. On an annualized basis 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 and, 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 and, 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. Directors may elect to receive fully-vested stock units in lieu of cash retainer amounts. Each director serving at fiscal year-end also received an equity award, granted shortly after fiscal year-end, valued at approximately $120,000. No meeting fees are paid. Directors are reimbursed reasonable expenses for attending meetings.

For fiscal 2018, cash fees for service as a director are currently 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

The value of the annual equity award to each director will be determined near the end of the fiscal year. For fiscal 2017, the equity award value was $120,000.

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.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The Executive Compensation Committee ("ECC") 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.

Overview

In recent years, the ECC has made important modifications and enhancements to our executive compensation program including: (i) establishing total direct compensation targets for each NEO, (ii) establishing annual non-equity incentive award opportunities based on targeted dollar amounts for each NEO (previously, these opportunities were calculated based on a percentage of pre-tax profit), (iii) significantly reducing the maximum annual non-equity incentive payout opportunity for all of our NEOs, (iv) introducing long-term performance shares (often referred to as performance-based restricted stock units) with challenging three-year performance goals for Adjusted EBITDA and revenue, (v) eliminating all remaining Internal Revenue Code Section 280G tax “gross-up” entitlements for our NEOs, (vi) requiring that a minimum of 70% of a given financial goal provided for in our annual non-equity incentive awards be met before any payout may be made in respect of that goal, (vii) adopting mandatory equity ownership guidelines for both NEOs and non-employee directors, (viii) issuing performance-based restricted stock units as a component of annual equity awards for our NEOs in contrast to our historical practice of solely awarding stock options, and (ix) paying significant portions of annual incentives in share units to further align the interests of executives with the interests of stockholders. In deciding on these modifications and enhancements, the ECC considered stockholder feedback, including a desire to see greater portion of compensation paid to, or earnable by, our NEOs in the form of variable compensation that is tied to our financial performance.

The ECC believes that these modifications and enhancements to our executive compensation program in recent years were appropriate and have played an important role in further 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. Since we began implementing these changes, our stockholders have in the past four years supported our say-on-pay proposals by votes that exceeded 95%, a strong endorsement of our executive compensation program.

The ECC believes that our executive compensation program is designed to produce long-term business success and is based on a pay-for-performance philosophy.

In determining financial and personal performance goals and award opportunities at the beginning of fiscal 2017, the ECC established targets intended to motivate our executive officers to achieve strong results despite difficult global business conditions that our NEOs were facing. As such, the established fiscal 2017 non-equity incentive plan performance goals were deemed challenging and, to some extent, constituting, “stretch” goals at target.

Fiscal 2017 was the first full year of operations that included TeleCommunication Systems, Inc. (“TCS”), which we acquired during fiscal 2016. By most measures, the TCS acquisition approximately doubled the size of Comtech. The combined strengths of Comtech and TCS have positioned Comtech as a leader in a number of advanced technology solution markets, with a number of new product and services offerings made possible by the merger. Comparisons of fiscal 2017 results to fiscal 2016 should be considered with an understanding that the TCS acquisition had far more impact on fiscal 2017 results than in the previous fiscal year.

COMPENSATION DISCUSSION AND ANALYSIS

Fiscal 2017 results included the following:

- Revenues in fiscal 2017 increased to $550.4 million, up from $411.0 million in fiscal 2016;
- Fiscal 2017 company-wide book-to-bill ratio (bookings divided by net sales) was 0.93;
- GAAP operating income for fiscal 2017 was $37.0 million, compared to a GAAP operating loss of $0.6 million in fiscal 2016;
- GAAP net income for fiscal 2017 was $15.8 million, compared to net loss for fiscal 2016 of $7.7 million;
- Adjusted EBITDA (a non-GAAP measure) was $70.7 million in fiscal 2017, up from $48.1 million in fiscal 2016, a 47.0% increase. For a definition and explanation of how "adjusted EBITDA" is calculated from the Company's audited financial statements, see page 61 of our Fiscal 2017 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 2017 and 2016 - Adjusted EBITDA,” filed with the SEC on September 27, 2017;
- GAAP diluted earnings per share ("EPS") was $0.67 in fiscal 2017, compared to ($0.46) in fiscal 2016;
- Cash flow from operating activities in fiscal 2017 was $66.7 million, and aggregate principal amount of indebtedness was reduced by $63.7 million during the year; and
- From July 31, 2016 to July 31, 2017 (our fiscal 2017), our one-year total stockholder return was approximately 42.3%. At July 31, 2017, our closing stock price was $18.00 per share.

The ECC considered other factors in addition to our financial performance in evaluating the performance of our management team. These included, particularly, the success of the management team in integrating the TCS acquisition and the settlement of certain TCS intellectual property matters. We enter fiscal 2018 with a backlog of $446.2 million, expanded product and service offerings and a pipeline of opportunities that give us reason to be excited about our future prospects. For a definition and explanation of how we calculate "backlog," see page 11 of our Fiscal 2017 Annual Report on Form 10-K, in the section entitled "Item 1, BUSINESS - Backlog," filed with the SEC on September 27, 2017.

We have issued guidance for fiscal 2018 targeting revenues in the range of $550.0 to $575.0 million, with EPS in the range of $0.41 - $0.44 per share.

During the first quarter of fiscal 2017, we announced that Mr. Kornberg, our Chairman of the Board, resumed his role as Chief Executive Officer and President. These changes were made at the time Dr. Stanton D. Sloane resigned as Chief Executive Officer and President. References in this Compensation Discussion and Analysis to our NEOs refer to those NEOs who served through all or most of the fiscal year, and exclude Dr. Sloane except where otherwise specifically indicated.

Our fiscal 2017 performance exceeded threshold requirements for payouts to our NEOs under our annual incentive program. Results for a number of the performance metrics, particularly non-GAAP pre-tax profit, non-GAAP adjusted EBITDA and non-GAAP free cash flow, exceeded target levels, and in some cases exceeded the maximum targeted level. This performance had a positive effect on payouts. Payouts to certain of the NEOs were also enhanced by the NEO's 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 that our senior executives are critical to the future success of our business.

COMPENSATION DISCUSSION AND ANALYSIS

Response to Say-on-Pay Advisory Votes and Stockholder Feedback

At our fiscal 2016, 2015, 2014, and 2013 annual meetings, 96.5%, 95.4%, 98.5% and 98.8%, respectively, of the shares voted were voted in favor of our executive compensation program, noteworthy increases from the 75.8% and 68.4% favorable votes in fiscal 2012 and 2011, respectively.

The ECC believes these highly supportive votes are attributable to: (i) the comprehensive review of our executive compensation program performed by the ECC over the past several years, (ii) the ECC's response to stockholder feedback and comments of certain leading proxy advisory firms; and (iii) the changes implemented by the ECC to our executive compensation plan.

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;
- Keep our executive compensation practices transparent; 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 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. Stock options 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.

The ECC assesses the performance of our NEOs in light of 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.

COMPENSATION DISCUSSION AND ANALYSIS

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 2017 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 a number of 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 the Company’s participation in benchmark studies. The ECC also has the ability to 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" and incentive-based compensation.

COMPENSATION DISCUSSION AND ANALYSIS

The following table summarizes the components of total direct compensation for fiscal 2017:

Components of Total Direct Compensation For Fiscal 2017

	Annual Non-Equity Incentive Awards		Long-Term Equity Incentive Awards			
			Restricted Stock	Long-Term Performance Shares		
Annual Base Salary +	These awards may be settled in cash or share units 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, our CFO and our COO, who have company-wide responsibilities are pre-tax profit, free cash flow and adjusted EBITDA (each, as defined, is a non-GAAP financial metric). Our other two NEOs' goals were 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.	+	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.	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 3-year performance period are achieved. 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 2017

In establishing specific targeted total direct compensation in fiscal 2017 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.

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 2017 for each NEO as summarized in the table below:

NEO	Targeted Total Direct Compensation
Fred Kornberg (1)	$2,860,000
Michael D. Porcelain	1,148,000
Michael Galletti	1,015,890

Richard L. Burt	1,107,000
John Branscum, Jr.	1,045,000

(1) Mr. Kornberg's employment agreement entitles him to target Total Direct Compensation of $3,000,000 in each full fiscal year. This amount was lower in fiscal 2017 because Mr. Kornberg's employment agreement became effective after the start of fiscal 2017.

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Actual fair values of equity awards caused small variations from these targeted amounts. The targeted total direct compensation of Messrs. Kornberg, Porcelain and Branscum were unchanged from the prior fiscal year. Mr. Galletti's targeted total direct compensation amount was set upon his commencing employment in September 2016; the amount in the table above is pro-rated based on his period of service (the annualized amount would be $1,200,000). Mr. Burt's total direct compensation shown above reflects an increase of 4.7% from the prior fiscal year, reflecting broadened operational duties during a portion of the fiscal year.

The following discusses each individual component of 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 2017, the salaries of our NEOs, other than the COO who commenced service in September 2016, were unchanged from the prior fiscal year. The annual salary rates for fiscal 2017 were as follows:

NEO	Salary
Fred Kornberg	$760,000
Michael D. Porcelain	408,000
Michael Galletti	338,630(1)
Richard L. Burt	385,000
John Branscum, Jr.	325,000

(1) This is the pro-rated amount of an annualized salary of $400,000

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.

In fiscal 2017, none of our NEOs received cash bonuses as defined by the SEC rules.

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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 target, threshold (for example, 70% of financial goals must be achieved) 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 annual salary. Non-equity incentive awards are subject to the terms and conditions of our 2000 Stock Incentive Plan, are intended to qualify as "performance-based" under Section 162(m) of the Internal Revenue Code 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 certain situations, settlements of awards may require the execution of an acknowledgment and release in favor of the Company.

In fiscal 2017, non-equity incentive award performance goals for each of our NEOs as shown in the table below, were established early in the fiscal year:

Fiscal 2017 Weighting of Non-Equity Incentive Goals
and Total Target and Maximum Amounts Payable (both in dollars)

Goals (as defined)	Fred Kornberg		Michael D. Porcelain		Michael Galletti		Richard L. Burt		John Branscum, Jr.	
Pre-tax profit	33.3	%	25.0	%	25.0	%	25.0	%	25.0	%
Adjusted EBITDA	33.3	%	25.0	%	25.0	%	-		-	
Bookings	-		-		-		25.0	%	25.0	%
"Free" cash flow	33.3	%	25.0	%	25.0	%	25.0	%	25.0	%
Five personal goals	-		25.0	%	25.0	%	25.0	%	25.0	%
Total Percentage	100.0	%	100.0	%	100.0	%	100.0	%	100.0	%
Total Target Amount	$950,000		$370,000		$296,301 (1)		$361,000		$360,000	
Maximum Amount	$1,425,000		$647,500		$518,527		$577,500		$487,500	

(1) This is the pro-rated amount of an annualized target annual incentive of $350,000.

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 2017, entitled him to a target annual incentive opportunity that, when combined with his base salary, totaled $2.86 million in fiscal 2017 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, NEOs with responsibilities for specific business units are subject to a cap on the payout specified as a maximum percentage of the business units' pre-tax profit. For fiscal 2017 non-equity incentive awards, the pre-tax profit goals for the NEOs were reduced compared to fiscal 2016, but were viewed by the ECC as challenging based on our results in fiscal 2016 and planning for fiscal 2017 and reasonably achievable if management successfully executed our business strategy.

COMPENSATION DISCUSSION AND ANALYSIS

The actual fiscal 2017 non-equity incentive goals for each NEO are illustrated in the below table:

Fiscal 2017 Non-Equity Incentive Goals

Goals (as defined)	Fred Kornberg	Michael D. Porcelain	Michael Galletti	Richard L. Burt	John Branscum, Jr.
Pre-tax profit	$17,500,000	$17,500,000	$17,500,000	Confidential	Confidential
Adjusted EBITDA	$70,000,000	$70,000,000	$70,000,000	Not Assigned	Not Assigned
“Free” cash flow	$8,500,000	$8,500,000	$8,500,000	Confidential	Confidential
Bookings	Not Assigned	Not Assigned	Not Assigned	Confidential	Confidential
Personal Goal #1	Not Assigned	Implement enterprise and sales software systems	Achieve a specified company-wide book-to-bill ratio	Win specified new orders	Consolidate specified business units
Personal Goal #2	Not Assigned	Upgrade accounts payable process	Consolidate specified business units	Consolidate and review specified facilities	Develop a business strategy/plan for specified business lines
Personal Goal #3	Not Assigned	Strengthen accounting and finance staff and transition TCS finance function	Work with CEO in support of initiatives	Restructure staff and create marketing organization	Increase total bookings at specified units by specified percentage
Personal Goal #4	Not Assigned	Reduce corporate information technology costs by specified amount	Reduce costs at specified business unit by specified amount	Support enterprise and sales software implementations	Complete specified research and development project
Personal Goal #5	Not Assigned	Reduce leased space by a specified amount	Reduce leased space by a specified amount	Maintain a high standard of ethics/compliance	Achieve pre-tax margin for specified units at specified levels

Based on its review of Comtech's business activity and planning going into fiscal 2017, the ECC established fiscal 2017 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 2017 business plan, the expected contribution of TCS in its first full year as part of Comtech, prior fiscal years’ achievements, known opportunities and our share repurchase and cash dividend programs.

Financial goals for Messrs. Kornberg, Porcelain and Galletti 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. 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 2017.”

COMPENSATION DISCUSSION AND ANALYSIS

For the Chairman and CEO, CFO and COO, fiscal 2017 performance on all three financial goals exceeded the target levels. Pre-tax profit was achieved at a level of 194% of the target, although the payout level for this performance goal was capped at 150%. Similarly, the achieved level of free cash flow was 768% for the Chairman and CEO and for the CFO, and 688% for the COO, but the payout levels for these performance goals were capped at 150%. In the case of the CFO and COO, the capped value for these metrics -- 150% rather than 194% for pre-tax profit, 150% rather than the potential maximum of 200% for free cash flow -- represented an exercise of negative discretion by the ECC. Adjusted EBITDA performance, in the case of the Chairman and CEO and the CFO, was achieved at 118% of the target level and, in the case of the COO, was achieved at the 101% level; payout levels for this component of the annual incentive award corresponded to the above-target level of achievement.

The ECC determined to pay out all or a substantial portion of the NEOs' 2017 annual incentive awards in the form of share units. Doing so increased the alignment of management with stockholders, and provides an added incentive to management to continue and accelerate the business momentum developed in fiscal 2017. The share units do not require further service for vesting, but are deferred as to settlement for a period of one year.

The final awards in fiscal 2017 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	Michael Galletti	Richard L. Burt	John Branscum, Jr.
	Actual Achievement of Fiscal 2017 Non-Equity Incentive Goals (as defined)				
Pre-tax profit	$33,987,234	$33,987,234	$33,987,234	Confidential	Confidential
Adjusted EBITDA	$82,724,859	$82,724,859	$82,724,859	Not Assigned	Not Assigned
"Free" cash flow	$65,355,859	$65,355,859	$65,355,859	Confidential	Confidential
Bookings	Not Assigned	Not Assigned	Not Assigned	Confidential	Confidential
Personal goals	Not Assigned	3 out of 5	2 out of 5	3 out of 5	1 out of 5
	Actual Amount of Fiscal 2017 Non-Equity Incentive Award				
Final non-equity incentive award payable	$1,299,132	$500,009	$220,806	$51,863	$247,656
% of targeted amount	136.8%	122.5%	74.5%	14.4%	68.8%
Number of share units issued in payment (1)	72,174	24,166	12,267	2,816	12,259
Value of share units	$1,299,132	$434,988	$220,806	$50,688	$220,662
% of total payout	100%	87%	100%	98%	89%

(1) Approximately 3.6% 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.

COMPENSATION DISCUSSION AND ANALYSIS

Detailed Description of Methodology and Mechanical Calculation

The final non-equity incentive awards payable as a percentage of targeted amounts for fiscal 2017 (as shown in the table on the previous page), 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 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 200% (or 150% in the case of the Chairman and CEO) 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 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 2017 non-equity incentive awards were settled mostly by issuance of share units and, for some NEO's, with a small portion settled in cash. In fiscal 2018, the maximum amount an NEO, other than the CEO, could earn for any specific financial goal, was reduced from 200% to 150%.

To further explain how our annual incentive awards were determined, the calculation and related methodology is illustrated below, using Mr. Kornberg's final fiscal 2017 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 2017, 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 $33,987,234 and dividing it by the target of $17,500,000 was approximately 194%; (ii) the percentage achievement for his adjusted EBITDA goal (as defined below) was approximately 118% which was calculated by taking the achieved adjusted EBITDA of $82,724,859 and dividing it by the target of $70,000,000; and (iii) the percentage achievement for his free-cash flow goal (as defined below) was 150%, which was the maximum level determined because the achieved level, calculated by taking $65,355,000 and dividing it by the target of $8,500,000, exceeded the pre-defined maximum performance level. 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 2017, Mr. Kornberg's percentage achievement for his pre-tax profit goal was 150.0%, which was multiplied by $950,000 and then multiplied by 33.3% to arrive at $475,000 (adjusted for rounding). His percentage achievement for his adjusted EBITDA goal was approximately 118.18%, which was multiplied by $950,000 and then multiplied by 33.3% to arrive at $374,232 (adjusted for rounding). His percentage of achievement for his free cash flow goal was 150.0%, which was multiplied by $950,000 and then multiplied by 33.3% to arrive at $475,000. The sum of these amounts equals $1,324,232 (adjusted for rounding).

COMPENSATION DISCUSSION AND ANALYSIS

- Determine the amount payable for the achievement of personal goals. 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. For example, given the Company's strong team-based approach and general philosophy regarding executive compensation, after discussion with Mr. Kornberg, the ECC reduced Mr. Kornberg's non-equity incentive award of for fiscal 2017 by approximately $125,000 (to a total of $1,299,118 which was approximately 136.8% of the fiscal 2017 total target amount of $950,000), in order to reallocate that amount as an award to other employees. The ECC exercised its discretion to allocate an additional amount of $65,021 to the CFO, at the recommendation of the Chairman and CEO and in recognition of the CFO’s contributions to what turned out to be a successful fiscal 2017. However, as discussed above, the ECC exercised negative discretion in capping the achievement level for two components of the CFO’s award at 150%, so that the net exercise of all discretion by the ECC was negative with respect to the CFO by $29,462. The ECC also determined to exercise its reserved discretion to reduce the COO’s calculated annual incentive payout by approximately $106,000, to reallocate to other employees. With respect to Mr. Branscum, the ECC exercised negative discretion of $16,591 related to its assessment of the resolution of a contract matter with a supplier.

Use and Definitions of Pre-tax Profit, adjusted EBITDA, “Free” Cash Flow, and Bookings

The ECC utilized pre-tax profits, adjusted EBITDA, bookings, and free cash flow, as financial performance goals for the annual non-equity incentive program for fiscal 2017. 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, bookings, and free cash flow are effective performance metrics because we use these metrics in our business planning, and they appropriately align our executives' interests with the creation of long-term stockholder value.

The financial measures -- pre-tax profit, adjusted EBITDA, and free cash flow -- utilized 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 2017, 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 potential or actual change-in-control matters, and (ix) any extraordinary item.

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In fiscal 2017, we utilized 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. For fiscal 2017, in the case of the Chairman and CEO and the CFO, the ECC determined not to adjust the achieved performance level of adjusted EBITDA to eliminate the benefits resulting from the settlement of certain TCS intellectual property matters. The ECC based this decision on the fact that the Chairman and CEO and CFO drove these settlement negotiations to a successful conclusion. For the COO, the ECC adjusted the achieved level of Adjusted EBITDA to eliminate the benefit resulting from certain intellectual property litigation settlements based on the fact that the COO had not been actively involved in overseeing or managing the litigation settlements. This adjustment for the COO was consistent with our presentation of adjusted EBITDA included in our Management Discussion and Analysis in our Annual Report on Form 10-K.

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. The ECC adjusted the free cash flow amount for the Chairman and CEO and the CFO to reflect the cash flow benefits of certain litigation settlements, but these adjustments had no impact on payout levels because, with or without the adjustment, free cash flow performance exceeded the 150% maximum level.

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 large, multi-year 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.

Non-Equity Incentive Compensation Paid to Former CEO

On September 28, 2016, we entered into a Transition Agreement with Dr. Sloane, who had served as CEO from January 26, 2015 to October 6, 2016. In connection with his resignation, in addition to compensation for fiscal 2016, the Company agreed to award him an incentive award of $22,000 for the portion of fiscal 2017 during which he was employed. Such amount was negotiated with Dr. Sloane, and the Company received a release from Dr. Sloane.

Long-term Equity Incentive Awards. In fiscal 2017, 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 partly in restricted stock and partly in long-term performance shares, in roughly equal parts. 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 with five-year vesting periods in fiscal 2017, in order to provide a strong element promoting retention largely independent of stock price changes.

The targeted dollar amount of compensation allocable to restricted stock and long-term performance shares was converted into an estimated number of awards based on an estimated grant-date fair value (with rounding applied). Actual amounts awarded to our NEOs in fiscal 2017 in the form of restricted stock and long-term performance shares are reflected in the “Summary Compensation Table” as “Stock Awards”. The ECC in most cases 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, but for some NEOs these award values differed to a small degree based on the ECC's judgment as to the appropriate weighting of the two types of awards.

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 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 2017 vest and 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 2017 through fiscal 2019. 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 2017 awards provide for potential payout when at least 70% of an individual goal for one year or two years was met, and when the executive does not voluntarily terminate his employment or incur termination for cause before the end of the full three-year period. 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. 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.

The fair value of the fiscal 2017 long-term performance shares was based on the market value of our Common Stock at the grant date. Dividend equivalents will be credited on outstanding awards, to 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 2017, will promote the creation of long-term value for stockholders. The number of shares of restricted stock and long-term performance shares granted in fiscal 2017 to each NEO, and their estimated fair values, were as follows:

COMPENSATION DISCUSSION AND ANALYSIS

Named Executive Officer	Number of Shares of Restricted Stock Awards Granted	Target Number of Long-Term Performance Share Units Granted (1)	Estimated Fair Value of Awards at Grant Date
Fred Kornberg	38,783	48,669	$1,149,994
Michael D. Porcelain	14,231	14,231	374,275
Michael Galletti (2)	12,817	16,021	380,950
Richard L. Burt	14,704	12,923	362,939
John Branscum, Jr.	13,846	13,846	364,150

(1) As of July 31, 2017, the long-term performance shares granted in fiscal 2015 reached the conclusion of their performance period. For these awards, for NEOs with company-wide responsibilities, the threshold performance goal for adjusted EBITDA was exceeded and the target performance goal for revenues was exceeded, with the aggregate performance level being 89.5% of target, resulting in Mr. Kornberg earning 17,894 shares and Mr. Porcelain earning 6,263 shares. In the case of Mr. Branscum, for whom the performance goals were tied to the business units for which he is responsible, the aggregate performance level was 81.6% of target, resulting in his earning 4,081 shares. In the case of Mr. Burt, the threshold performance levels for these awards were not achieved, so the long-term performance shares did not vest. Mr. Galletti was not an employee in fiscal 2015 and therefore did not hold any of these long-term performance shares.

(2) The numbers of shares of restricted stock and target number of long-term performance shares were pro-rated based on Mr. Galletti's start date after the commencement of fiscal 2017; the annualized fair value of these awards was targeted at $450,000.

With the exception of the restricted stock awards and long-term performance shares granted to Mr. Galletti and a portion of the restricted stock granted to Mr. Burt, the restricted stock and long-term performance shares were granted in early August 2016 with a grant-date fair value per share of $13.15. We granted long-term equity awards to Mr. Galletti in September 2016, with a grant date fair value per share of $13.21. We granted a small portion of Mr. Burt's restricted stock in late August 2016, with a grant date fair value per share of $12.95.

All restricted stock granted in fiscal 2017 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. All equity awards are subject to accelerated vesting in specified circumstances.

Prior to his departure from Comtech, in fiscal 2017 we granted restricted stock to Dr. Sloane, as reflected in the Grants of Plan-Based Awards - 2017 table. This award was revoked by the Company upon his departure in October 2016.

As of July 31, 2017, based on fiscal 2016 and 2017 performance, long-term performance shares potentially issuable for performance during the fiscal 2016 through fiscal 2018 performance period and the fiscal 2017 through fiscal 2019 performance period have met interim performance goals for the earning of shares as follows: Mr. Kornberg - 35,797 shares; Mr. Porcelain - 10,655 shares; Mr. Galletti - 4,357 shares; Mr. Burt - 1,570 shares; and Mr. Branscum - 5,364 shares.

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.

COMPENSATION DISCUSSION AND ANALYSIS

- 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.

Other Policies and Practices

Employment Agreements and Change-in-Control Practices

The ECC generally has relied on our history of fair treatment of NEOs as a basis for not entering into employment agreements, other than with Mr. Kornberg (and previously with Dr. Sloane). 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, it permits 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 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 - Mr. Kornberg had agreed to serve as Executive Chairman for the one-year period beginning on the date Dr. Sloane commenced employment, which was January 26, 2015, and thereafter to consult with and advise the CEO and other members of Company management as requested by the CEO. In September 2016, Mr. Kornberg agreed to resume serving as our CEO and President, while continuing to serve as Chairman.

Key provisions of our Chairman and CEO’s employment agreement, as it affected service in fiscal 2017, 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 and (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.
- 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), cooperation in litigation, return of Comtech property and non-disparagement.

- A term expiring on December 31, 2019 (an amendment to the employment agreement extending the term past July 31, 2017 was adopted in November 2016).

COMPENSATION DISCUSSION AND ANALYSIS

The employment agreement with Mr. Kornberg 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. In the fourth quarter of fiscal 2017, the ECC amended the CEO’s employment agreement to conform the severance calculation formula to changes made to the change-in-control agreements of NEOs, discussed in greater detail below.

Former CEO’s Employment Agreement - Key provisions of the employment agreement with Dr. Sloane, as it applied during the part of fiscal 2017 in which he served as CEO, were as follows:

- An annual base salary of $575,000 (subject to periodic review and increase).
- Eligibility to participate in our annual incentive program and to receive long-term incentive awards.
- Housing near our headquarters and reimbursement of living expenses during the first two years of employment.
- 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.” No tax gross-up for golden parachute excise taxes and related taxes was provided.
- Covenants for the protection of our business, including covenants relating to confidentiality of business information, non-solicitation of employees and non-competition (extending for 12 months after employment ends), cooperation in litigation, return of Comtech property and non-disparagement.
- A term expiring on January 26, 2018.

On September 28, 2016, in connection with Dr. Sloane’s resignation from Comtech, we entered into a Transition Agreement with Dr. Sloane (the "Sloane Transition Agreement"). Under the terms of the Sloane Transition Agreement, Dr. Sloane agreed to be available to Comtech to provide transition and consulting services for one year. The Sloane Transition Agreement also provided, in lieu of payments and benefits under his Employment Agreement, that Dr. Sloane would be entitled to accrued benefits (as defined) through October 6, 2016 (the effective date of the Sloane Transition Agreement), continued payment of his base salary for twelve months thereafter, a lump sum payment of $300,000 in respect of fiscal 2016 and fiscal 2017 annual incentive compensation (of which $278,000 represents fiscal 2016 annual incentive compensation based on actual performance, and of which $22,000 represents fiscal 2017 annual incentive compensation based on actual performance and prorated through the date of resignation), $1,200 per month for medical coverage for a period of six months, and accelerated vesting of time based vesting requirements under equity awards granted by the Company to Dr. Sloane in his capacity as an employee (171,220 previously unvested stock options and 18,054 target long-term performance shares granted in fiscal 2016). The Sloane Transition Agreement provided for continued survival of port-termination restrictive covenants contained in his employment agreement, and all payments under the Sloane Transition Agreement were conditioned on the former CEO executing a release of claims in favor of the Company.

COMPENSATION DISCUSSION AND ANALYSIS

Transition Agreement with COO - On September 28, 2017, Michael Galletti, COO of the Company, changed positions and was appointed Senior Advisor, Business Development, for our Government Solutions Segment. On October 4, 2017, we entered into a Transition Agreement with Michael Galletti (the "Galletti Transition Agreement"), under which we agreed his employment by Comtech will end on January 12, 2018. Under the Galletti Transition Agreement, Mr. Galletti became vested in 4,357 shares, constituting the final payout of the long-term performance shares granted September 28, 2016. He also retains the 12,267 vested share units granted in payment of his fiscal 2017 non-equity incentive plan payout. All other unvested equity awards (including dividend equivalents payable) held by Mr. Galletti have been canceled and forfeited. Mr. Galletti will continue to receive his salary during the transition period, but he is not eligible for a non-equity incentive award in fiscal 2018 and his change-in-control agreement is no longer in effect.

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." We had a similar change-in-control agreement with Dr. Sloane in effect during the portion of fiscal 2017 in which he served as CEO.

In the first quarter of fiscal 2017, the ECC further modified the change-in-control agreements for those NEOs to provide that, during an NEO's first 30 months of service the severance multiplier would be the number of months of service divided by 12, rather than the standard multiplier of 2.5. Under the agreements, the amount of severance payable upon an involuntary termination during a 24-month protection period following a change in control would be the applicable multiplier times the NEOs' annual compensation. The aforementioned changes were intended to require an NEO to have service time prior to any payments. Annual compensation previously had been defined as annual base salary (the higher of that base salary in effect at the time of termination or at the time of the change in control) plus average annual incentive awards (including equity granted in payment of any part of the annual incentive award) in the three full fiscal years prior to termination. The ECC amended the agreements to define annual compensation as such annual base salary plus the three-fiscal-year average of such annual incentive awards plus the grant date fair value of long-term equity awards granted or any other equity awards paid, payable, or granted during the relevant period in lieu of the relevant annual non-equity incentive compensation for that fiscal year. Such change was made to reflect the continued use and importance of long-term equity awards as part of annual targeted compensation. The ECC also amended the employment agreement of the Chairman and CEO to conform his severance formula to define annual compensation generally in the same way as in the NEOs' change-in-control agreements.

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

COMPENSATION DISCUSSION AND ANALYSIS

As of July 31, 2017, all of our then serving NEOs held equity positions that met their full applicable guidelines, except Mr. Galletti who was within the phase-in period for that position. As of July 31, 2017, all of our non-employee directors had met the full equity ownership guidelines, except Lawrence J. Waldman and Yacov A. Shamash, both of whom are within their phase-in period of approximately six years allowed for them to meet the equity ownership 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.

In connection with the adoption of the minimum equity ownership guidelines shown above, the Board of Directors also modified the annual equity compensation for non-employee directors to provide for a grant of restricted stock units rather than stock options, unless the director has already met the minimum equity ownership guidelines as of December 31 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 their minimum equity ownership, he can once again receive annual grants of stock options.

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 end date of their employment or directorship.

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). Under the recoupment policy, under certain circumstances, including if the NEO were to engage in certain activities that would be grounds for termination for cause, or if the employee were to engage in competition with us or 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. This provision was waived in connection with the separation from service of Dr. Sloane, in regards to all of his non-equity incentive payouts.

COMPENSATION DISCUSSION AND ANALYSIS

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 exercises of stock options. All such transactions 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.

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 CEO and certain NEOs. Under the rules of Section 162(m), compensation paid to our CFO is not subject to this limitation. Certain forms of compensation are also exempt from this deductibility limit, one of which is qualifying “performance-based compensation.”

We structure our non-equity incentive awards with the intent that they be substantially deductible without limitation under Section 162(m). Performance shares also have terms that we intend to make the shares qualify for full tax deductibility under Section 162(m), but restricted stock grants generally do not qualify as performance-based compensation for purposes of Section 162(m).

The ECC retains authority to approve non-tax deductible compensation. The ECC intends to exercise this authority in circumstances in which it concludes that making these payments enhance our Company’s ability to attract, retain and appropriately reward executives and therefore is in the best interests of our Company and its stockholders.

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 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 review process undertaken by the ECC in fiscal 2013 - fiscal 2016, including the results of compensation studies provided by the ECC’s independent compensation consultants, is 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 2017, it did not obtain and review an updated compensation study in the period leading into fiscal 2017 or during the fiscal year.

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

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The management team, including the Chairman and CEO has extensive experience and an outstanding track record in the telecommunications equipment industry;

- The completion of the TCS acquisition in fiscal 2016 represents a transformational event for Comtech. The management team has a history of successful integration of acquisitions and product innovation, and the fiscal 2017 results and outlook for fiscal 2018 are further evidence of this. These efforts will be crucial for the future success of Comtech;

COMPENSATION DISCUSSION AND ANALYSIS

- 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 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 to the responsibilities of a given Comtech executive.

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 2017 compensation is well aligned with our fiscal 2017 performance and our long-term stockholder returns.

Executive Compensation Committee Interlocks and Insider Participation

During fiscal 2017, 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 2017, 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 party transaction.

During fiscal 2017, 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 the “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, or the Securities Exchange Act of 1934, as amended, 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 Securities and Exchange Act of 1933 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, 2017 for filing with the SEC.

Executive Compensation Committee

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

FISCAL 2017 COMPENSATION TABLES

Executive Compensation

The table below provides information concerning the compensation of our NEOs for the fiscal years ended July 31, 2017, 2016 and 2015.

Summary Compensation Table - Fiscal 2017

Name and Principal Position	Fiscal Year	Salary	Bonus	(2) Option Awards	(3) Stock Awards	(4) Non-Equity Incentive Plan Compensation	(5) All Other Compensation	Total
Fred Kornberg (1)	2017	$760,000	-	-	1,149,994	1,299,132	222,637	3,431,493
Chairman, CEO &	2016	760,000	-	452,350	609,525	1,025,700	166,955	3,014,530
President	2015	760,000	-	506,021	678,800	748,527	162,825	2,856,173
Stanton D. Sloane (1)	2017	110,577	-	-	379,325	-	1,207,955	1,697,856
Former CEO & Former	2016	575,000	-	363,600	354,375	-	127,411	1,698,386
President	2015	287,500	375,000	995,002	187,503	-	101,348	1,946,353
Michael Galletti	2017	330,769	-	-	380,950	220,806	11,027	943,552
Former COO								
Michael D. Porcelain	2017	408,000	-	-	374,276	500,009	37,680	1,319,965
Sr. VP & CFO	2016	408,000	-	181,800	184,275	419,862	44,942	1,238,879
	2015	395,000	-	178,596	237,580	260,692	39,695	1,111,563
Richard L. Burt	2017	385,000	-	-	362,938	51,863	53,897	853,698
Sr. VP and President	2016	385,000	-	163,620	170,100	89,028	51,737	859,485
Comtech Systems, Inc.	2015	380,000	-	148,830	220,610	89,062	58,127	896,629
John Branscum, Jr.	2017	325,000	-	-	364,150	247,656	26,193	962,999
Sr. VP and President	2016	325,000	-	175,740	170,100	135,027	34,329	840,196
Comtech EF Data Corp. and Comtech Xicom Technology, Inc.	2015	300,000	-	148,830	169,700	98,500	14,453	731,483

(1) Our Chairman, CEO and President and our former CEO and former President had employment agreements in effect in fiscal 2017, but our other NEOs did not. The significant provisions of these agreements, 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) These amounts represent the aggregate grant date fair value of stock options, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC Topic 718"), granted in fiscal 2015, 2016 and 2017. 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, 2017, included in our Annual Report on Form 10-K filed with the SEC on September 27, 2017.

(3) 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) and shares of restricted stock, calculated in accordance with FASB ASC Topic 718, granted in fiscal 2015, 2016 and 2017. 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, 2017, included in our Annual Report on Form 10-K filed with the SEC on September 27, 2017. Performance-based restricted stock units awarded in fiscal 2017 have a three-year performance period (fiscal 2017 through fiscal 2019). 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. See "Compensation Discussion and Analysis and the Table of Grants of Plan-Based Awards - Fiscal 2017." No part of the 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 2017 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 shares of restricted stock granted to the indicated NEO. In fiscal 2017, stock awards included restricted stock as follows: Mr. Kornberg, $509,996; Dr. Sloane, $379,325; Mr. Galletti, $169,313; Mr. Porcelain, $187,138; Mr. Burt, $193,001; and Mr. Branscum, $182,075. No such awards were issued in fiscal 2015 or 2016. 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 have been as follows: Mr. Kornberg, $1,279,995 (rather than $639,997); Mr. Galletti, $423,275 (rather than $211,637); Mr. Porcelain, $374,275 (rather than $187,138); Mr. Burt, $339,875 (rather than $169,937); and Mr. Branscum, $364,150 (rather than $182,075). Dividend equivalents accrue as cash amounts on the 2017 restricted stock unit awards granted, subject to the same performance-based vesting requirements that apply to the granted restricted stock units. Dividends accrue on restricted stock subject to the same vesting requirements that apply to the granted shares of restricted stock. For Dr. Sloane, this amount for fiscal 2017 represents the aggregate grant date fair value of 28,846 shares of restricted stock granted in fiscal 2017, which grant was revoked upon his resignation as the Chief Executive Officer and President of the Company on October 6, 2016.

FISCAL 2017 COMPENSATION TABLES

(4) 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 2015 and 2016 were settled in cash. Awards granted in fiscal 2017 were settled mostly in fully vested share units and, for some NEOs, a small portion settled in cash. The details of the determination of the fiscal 2017 non-equity incentive plan compensation for our NEOs are discussed in the section of this Proxy Statement entitled "Compensation Discussion and Analysis."

(5) See "Details of All Other Compensation" table below. With the exception of Dr. Sloane and Mr. Galletti, who were employed for a portion of fiscal 2017, 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. For Dr. Sloane, the amount in this column for fiscal 2017 includes payments to Dr. Sloane in connection with Dr. Sloane resigning as the Chief Executive Officer and President of the Company under the Sloane Transition Agreement.

Details of All Other Compensation

Name	Fiscal Year	401(k) Matching Contribution	Term Life Insurance	Automobile Allowance	Unused Vacation Time Paid Out	Expense Allowance	Health Savings Account Matching Contribution	Living and Relocation Expenses	Payments Pursuant to Transition Agreement	Total "All Other" Compensation
Fred Kornberg	2017	$10,600	$131,014	$7,291	$58,462	$15,000	-	-	-	$222,367
	2016	10,600	130,751	8,199	2,404	15,000	-	-	-	166,955
	2015	10,400	130,751	6,674	-	15,000	-	-	-	162,825
Stanton D. Sloane (1)	2017	-	293	2,194	39,517	-	-	$ 66,859	$1,099,092	1,207,955
	2016	10,600	16,573	11,194	-	-	-	89,045	-	127,411
	2015	10,600	762	6,194	-	-	-	83,792	-	101,348
Michael Galletti	2017	10,600	427	-	-	-	-	-	-	11,027
Michael D. Porcelain	2017	10,600	1,257	-	24,323	-	$1,500	-	-	37,680
	2016	10,600	1,457	-	31,385	-	1,500	-	-	44,942
	2015	10,020	1,414	-	26,761	-	1,500	-	-	39,695
Richard L. Burt	2017	10,600	31,487	-	11,809	-	-	-	-	53,897
	2016	10,600	31,253	-	9,884	-	-	-	-	51,737
	2015	10,400	30,170	-	17,557	-	-	-	-	58,127
John Branscum, Jr.	2017	10,600	568	-	15,025	-	-	-	-	26,193
	2016	10,600	579	-	23,150	-	-	-	-	34,329
	2015	10,400	568	-	3,485	-	-	-	-	14,453

(1) The amount of Living and Relocation Expenses for Dr. Sloane in fiscal 2016 and fiscal 2017 includes living expenses of $89,045 and $66,859, respectively, payable pursuant to his employment agreement. Please see "Compensation Discussion and Analysis - Other Policies and Practices - Employment Agreements and Change-In-Control Practices - Former CEO's Employment Agreement," above and "Summary and Table of Potential Payments Upon Termination or Following a Change-in-Control - Severance Arrangements and Transition Agreements," below for additional details of payments made to Dr. Sloane pursuant to the Sloane Transition Agreement.

FISCAL 2017 COMPENSATION TABLES

Table of Grants of Plan-Based Awards - Fiscal 2017

		(1) (2) Estimated Future Payouts Under Fiscal 2017 Non-Equity Incentive Plan Awards			(3) Estimated Future Payouts Under Fiscal 2017 Equity Incentive Plan Awards				(4)
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards ($)
Fred	Oct 5, 2016	$665,000	$950,000	$1,425,000	-	-	-	-	-
Kornberg	Aug 9, 2016	-	-	-	34,068	48,669	97,338	-	$639,997
	Aug 9, 2016	-	-	-	-	-	-	38,783	509,996
	Jul 31, 2017	-	-	-	-	-	-	72,174 (2)	1,299,132 (2)
Stanton	Aug 9, 2016	-	-	-	-	-	-	28,846	379,325
Sloane (5)	-	-	-	-	-	-	-	-	-
Michael	Oct 5, 2016	229,633	296,301	518,527	-	-	-	-	-
Galletti	Sept 28, 2016	-	-	-	11,215	16,021	32,042	-	211,637
	Sept 28, 2016	-	-	-	-	-	-	12,817	169,313
	Jul 31, 2017	-	-	-	-	-	-	12,267 (2)	220,806 (2)
Michael D.	Oct 5, 2016	286,750	370,000	647,500	-	-	-	-	-
Porcelain	Aug 9, 2016	-	-	-	9,962	14,231	28,462	-	187,138
	Aug 9, 2016	-	-	-	-	-	-	14,231	187,138
	Jul 31, 2017	-	-	-	-	-	-	24,166 (2)	434,988 (2)
Richard L.	Oct 5, 2016	279,775	361,000	577,500	-	-	-	-	-
Burt	Aug 9, 2016	-	-	-	9,046	12,923	25,846	-	169,937
	Aug 9, 2016	-	-	-	-	-	-	12,923	169,937
	Aug 29, 2016	-	-	-	-	-	-	1,781	23,064
	Jul 31, 2017	-	-	-	-	-	-	2,816 (2)	50,688 (2)
John	Oct 5, 2016	279,000	360,000	487,500	-	-	-	-	-
Branscum,		-	-	-	9,962	13,846	27,692	-	182,075

	Aug 9, 2016								
Jr.	Aug 9, 2016	-	-	-	-	-	-	13,846	182,075
	Jul 31, 2017	-	-	-	-	-	-	12,259 (2)	220,662 (2)

(1) Our fiscal 2017 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 (i.e., 150% of target in the case of the Chairman and CEO, and 200% of target in the case of other NEOs).

(2) The amounts footnoted in the column "All Other Stock Awards: Number of Shares of Stock or Units" are 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 2017 Non-Equity Incentive Plan Awards." The final fiscal 2017 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 2017.”

(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 2017.”

(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 restricted stock and share units.

(5) Represents shares of restricted stock granted to Dr. Sloane during fiscal 2017, which were revoked upon his resignation as the Chief Executive Officer and President of the Company on October 6, 2016.

FISCAL 2017 COMPENSATION TABLES

Outstanding Equity Awards at Fiscal Year End – Fiscal 2017

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 # (2)	Market Value of Shares or Units of Stock That Have Not Vested $ (2)	Equity Incentive Plan Awards: Number of Unearned Shares of Stock or Other Rights That Have Not Vested # (2)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units of Stock or Other Rights That Have Not Vested ($) (2)
Fred Kornberg	8/9/2016	-	-	-	-	38,783	698,094	48,669	876,042
	9/21/2015	16,600	66,400	26.62	9/21/2025	-	-	-	-
	8/4/2015	-	-	-	-	-	-	21,500	387,000
	8/4/2014	34,000	51,000	33.94	8/4/2024	-	-	20,000	360,000
	8/1/2013	51,000	34,000	27.25	8/1/2023	-	-	-	-
	6/5/2013	48,000	12,000	26.08	6/5/2023	-	-	4,313	77,634
	6/6/2012	50,000	-	29.51	6/6/2022	-	-	2,487	44,766
	6/2/2011	100,000	-	27.67	6/2/2021	-	-	-	-
	6/2/2010	100,000	-	28.84	6/2/2020	-	-	-	-
Stanton D. Sloane (3)	-	-	-	-	-	-	-	-	-
Michael Galletti	9/28/2016	-	-	-	-	12,817	230,706	16,021	288,378
Michael D. Porcelain	8/9/2016	-	-	-	-	14,231	256,158	14,231	256,158
	8/4/2015	6,000	24,000	28.35	8/4/2025	-	-	6,500	117,000
	8/4/2014	12,000	18,000	33.94	8/4/2024	-	-	7,000	126,000
	8/1/2013	16,200	10,800	27.25	8/1/2023	-	-	-	-
	6/5/2013	20,000	5,000	26.08	6/5/2023	-	-	1,797	32,346
	6/6/2012	20,000	-	29.51	6/6/2022	-	-	995	17,910
	10/3/2011	25,000	-	27.21	10/3/2021	-	-	-	-
	6/2/2011	45,000	-	27.67	6/2/2021	-	-	-	-
	6/2/2010	43,750	-	28.84	6/2/2020	-	-	-	-
Richard L. Burt	8/29/2016	-	-	-	-	1,781	32,058	-	-
	8/9/2016	-	-	-	-	12,923	232,614	12,923	232,614
	8/4/2015	5,400	21,600	28.35	8/4/2025	-	-	6,000	108,000
	8/4/2014	10,000	1,500	33.94	8/4/2024	-	-	6,500	117,000
	8/1/2013	14,400	9,600	27.25	8/1/2023	-	-	-	-
	6/5/2013	10,000	2,500	26.08	6/5/2023	-	-	899	16,182
	6/6/2012	7,000	-	29.51	6/6/2022	-	-	349	6,282

	6/2/2011	11,000	-	27.67	6/2/2021	-	-	-	-
	6/2/2010	1,500	-	28.84	6/2/2020	-	-	-	-
John Branscum, Jr.	8/9/2016	-	-	-	-	13,846	249,228	13,846	249,228
	8/4/2015	5,800	23,200	28.35	8/4/2025	-	-	6,000	108,000
	8/4/2014	10,000	15,000	33.94	8/4/2024	-	-	5,000	90,000
	8/1/2013	12,000	8,000	27.25	8/1/2023	-	-	-	-
	6/5/2013	11,600	2,900	26.08	6/5/2023	-	-	1,042	18,756
	6/6/2012	12,000	-	29.51	6/6/2022	-	-	597	10,746
	6/2/2011	24,000	-	27.67	6/2/2021	-	-	-	-
	6/2/2010	12,000	-	28.84	6/2/2020	-	-	-	-

(1) Each option granted subsequent to June 2, 2009, vests as to 20% of the underlying shares on each of the first five anniversaries of the grant date. The options granted are subject to accelerated vesting in the event of a change-in-control, except in limited circumstances.

(2) Each restricted stock unit award granted before fiscal 2015 vests as to 20% of the underlying shares on the date that the ECC determines that the performance measure relating to the stock awards has been met. Assuming the performance measure has been met, the remaining 80% of the underlying shares vest 20% each on the first through fourth anniversaries of the date that the first 20% vested. Each restricted stock unit award granted during fiscal 2015, fiscal 2016 and fiscal 2017 vests over a three-year performance period that ends on July 31, 2017, July 31, 2018 and July 31, 2019, respectively, if pre-established performance goals are attained. The number of outstanding performance shares included in the above table, and the related payout values, assume achievement of the pre-established goals at a target level. Unless an NEO has elected deferral, one share of Common Stock will be issued for each share earned on each vesting date. Market value is based on the closing price of our Common Stock on July 31, 2017 of $18.00 per share.

(3) In connection with Dr. Sloane resigning as the Chief Executive Officer and President of the Company, all of Dr. Sloane's equity awards granted prior to fiscal 2017 were either cashed out, forfeited, or expired pursuant to their terms and/or the Sloane Transition Agreement and awards made in fiscal 2017 were revoked upon his resignation as the Chief Executive Officer of the Company.

FISCAL 2017 COMPENSATION TABLES

Table of Options Exercised and Stock Vested - Fiscal 2017

Name of Executive Officer	Number of Shares Acquired on Exercise	Value Realized on Exercise	(1) (2) Number of Shares Acquired on Vesting	(3) Value Realized on Vesting
Fred Kornberg	-	-	94,644	$1,582,928
Stanton D. Sloane (4)	-	-	17,132	216,891
Michael Galletti	-	-	12,267	220,806
Michael D. Porcelain	-	-	32,245	537,027
Richard L. Burt	-	-	6,317	94,906
John Branscum, Jr.	-	-	15,464	261,141

(1) Includes 54,387 performance based restricted stock units that vested during fiscal 2017 as follows; Mr. Kornberg, 22,470; Mr. Sloane, 17,132; Mr. Porcelain, 8,079; Mr. Burt, 3,501; and Mr. Branscum, 3,205.

(2) Includes 123,682 fully vested share units acquired on July 31, 2017 upon settlement of non-equity incentive plan compensation as follows; Mr. Kornberg, 72,174; Mr. Galletti, 12,267; Mr. Porcelain, 24,166; Mr. Burt, 2,816; and Mr. Branscum 12,259.

(3) Amounts represent the aggregate market value of the award on the date it is fully vested, based on the closing price per share of our Common Stock on the NASDAQ Global Select Market on that date (or the nearest preceding trading date).

(4) Represents the acceleration of time-vesting of the Long-Term Performance Shares held by Dr. Sloane pursuant to the Sloane Transition Agreement, with the payout being made based on actual performance achieved through the date of Dr. Sloane's resignation as the Chief Executive Officer and President. See "Summary and Table of Potential Payments Upon Termination or Following a Change-in-Control - Severance Agreement, Severance Payments, and Transition Agreements," below, for additional details.

FISCAL 2017 COMPENSATION TABLES

Non-Qualified Deferred Compensation - Fiscal 2017

The following table sets forth information with respect to amounts earned in prior years and for which delivery of the underlying shares was deferred until the earlier of (i) separation of service (within the meaning of Code Section 409A), (ii) a change of control of the Company, or (iii) death or disability:

Name of Executive Officer	NEO Contributions In Last Fiscal Year	Registrant Contributions in Last Fiscal Year	Aggregate Earnings in Fiscal 2017 (3)	Aggregate Withdrawals/ Distributions	Aggregate Balance at July 31, 2017 (4)
Fred Kornberg (1)	$31,858	$1,299,132	$49,691	-	$1,478,196
Stanton Sloane	-	-	7,664	($62,746)	-
Michael Galletti	-	220,806	-		220,806
Michael D. Porcelain	-	434,988	28,049	-	547,460
Richard L. Burt	-	50,688	-		50,688
John Branscum, Jr. (2)	6,888	220,662	23,125	-	264,919

(1) The $31,858 reflects the market value as of October 2, 2016 (the date of vesting for the fourth tranche) of performance shares that were granted in fiscal 2012.

(2) The $6,888 reflects the market value as of September 23, 2016 (the date of vesting for the third tranche) of performance shares that were granted in fiscal 2013.

(3) The aggregate earnings in fiscal 2017 reflect changes in the market value of the Company’s Common Stock during fiscal 2017, increased by accrued dividend equivalents, which equaled the cash dividends per share paid to our stockholders in fiscal 2017 for each deferred share credited to the participant as of the dividend payment date.

(4) In accordance with SEC rules, the grant-date value of the share-denominated compensation that was originally deferred was previously reported in the "Summary Compensation Table" for the applicable fiscal year.

Summary and Table of Potential Payments Upon Termination or Following a Change-in-Control

In this section, we describe our commitments, in effect during fiscal 2017, under agreements and plans to provide payments in connection with terminations of employment and in connection with a change-in-control. In the discussion, we refer to our current Chairman, CEO and President who was serving in those capacities at fiscal year end as the "Chairman," and we refer to our former CEO and President, who served in those capacities during a portion of the first quarter of fiscal 2017, as the "former CEO." Terms of the Chairman's employment agreement applicable in fiscal 2018 are described above under the heading "Other Policies and Practices."

Severance Arrangements and Transition Agreements

Except for agreements with our Chairman and our former CEO, we did not have in place employment agreements providing for severance for terminations prior to a change-in-control with any of our NEOs in fiscal 2017. All NEOs (other than our Chairman and former CEO) participated in our company-wide severance plan, which provides U.S. employees, who are terminated by us without cause, with severance payments equal to two weeks of salary for less than five years of service, three weeks of salary for five or more years of service but less than fifteen years of service, and four weeks of salary for fifteen or more years of service. Severance under the plan is not based on annual incentives such as cash bonuses, non-equity incentive awards or equity-based awards, and the plan does not provide outplacement services or subsidized medical coverage.

FISCAL 2017 COMPENSATION TABLES

As detailed in the chart below, the employment agreement of our Chairman required severance payments in the event either was terminated in specified circumstances. Subject to a release of claims in favor of the Company, the Chairman would have been entitled to liquidated damages in the event that, prior to a change-in-control, we terminated his employment not for cause or he terminated employment due to our material breach of a term in the employment agreement. The amount of these liquidated damages would have been equal to his base salary payable for the remainder of the employment term (which would have expired December 31, 2019 under terms then in effect) plus a payment equal to one-twelfth of his actual total direct compensation for the full fiscal 2017 year, which approximated $267,500, times the number of whole months until the expiration of the employment term, less the amount of base salary payable during such period, plus a payment of $22,500 and continued life insurance coverage through December 31, 2021. We would have been liable also for certain attorneys' fees incurred in enforcing the executive's rights under the agreement.

On September 28, 2016, we entered into the Sloane Transition Agreement. For details of actual payments made under the Sloane Transition Agreement, see "Compensation Discussion and Analysis - Other Policies and Practices - Employment Agreements and Change-In-Control Practices - Former CEO's Employment Agreement."

On September 27, 2017, in connection with Mr. Galletti's separation from Comtech, we entered into the Galletti Transition Agreement. For details of payments and benefits payable under the Galletti Transition Agreement, see "Compensation Discussion and Analysis - Other Policies and Practices - Employment Agreements and Change-In-Control Practices - Transition Agreement with COO."

Change-in-Control Agreements and Change-in-Control Payments

In fiscal 2017, in the event of a change-in-control and certain qualifying terminations of employment relating to a change-in-control, we would have been required to make specified payments to our Chairman under the terms of his employment agreement and to our other NEOs under the terms of their change-in-control agreements.

Our change-in-control agreements (or change-in-control provisions in the referenced employment agreements) contained “double-trigger” clauses. In other words, before any individual NEO could receive any change-in-control payments, two events must have occurred: (i) a Change-in-Control (as defined in the 2000 Stock Incentive Plan) and (ii) the individual NEO’s existing employment relationship ends either due to a termination not for cause or the NEO terminates the then existing employment relationship for “good reason” (as that term is defined in the agreement) during a twenty-four month protection period (or 30 months in the case of our Chairman) after the occurrence of a change-in-control. Good reason includes the assignment of any duties inconsistent in any material adverse respect with the individual NEO’s original position, authorities or responsibilities, a material reduction in compensation (as defined in the agreement), and the relocation of employment to a location more than fifty miles from the location of the individual NEO’s principal place of employment prior to the change-in-control. Providing this improved job security is important in order that we can retain executives through the disruption of a change-in-control and thereafter. In addition, these provisions are intended to be fair and competitive to aid in attracting and retaining experienced executives.

Upon a change-in-control and qualifying termination in fiscal 2017, our NEOs would have received payments based on the level or “tier” to which the NEO is assigned which was based on an assessment of market competitiveness and is shown in the table below:

FISCAL 2017 COMPENSATION TABLES

Title	Tier	Summary of Change-in-Control Amounts Payable
Chairman	1	The change-in-control payments multiplier would be the greater of 2.5 or the number of years remaining under the terms of the employment agreement (2.5 years remained at July 31, 2017) for base salary and 2.5 for the average annual incentive award paid or payable for the three fiscal years prior to the year in which the change-in-control occurred. Annual incentive in any year in which long-term performance shares are granted will include the grant-date fair value of those awards. Certain other benefits, shown in the table below, would also be payable.
		Medical insurance for the longer of (i) 24 months and (ii) until December 31, 2019, and life insurance through December 31, 2021.
All Other NEOs	2	Cash equal to up to 2.5 times (based on length of service) the sum of the annual base salary in effect and the average of annual incentive awards paid or payable for the three fiscal years prior to the termination of employment. Annual incentive in any year in which long-term performance shares are granted will include the grant-date fair value of those awards. Certain other benefits, shown in the table below, would also be payable.

All of our NEOs, other than our Chairman, serving as of July 31, 2017, had change-in-control agreements that provided for the following:

- With respect to each individual NEO's annual incentive award for the fiscal year in progress at the date of their qualifying termination (as that term is defined) and their annual incentive award for any previously completed year for which a final annual incentive award has not yet been determined, awards will vest as follows:

(i) any award based on pre-set performance goals based on the level of actual achievement of such performance goals through the earlier of the end of the performance period or the date of termination; and

(ii) any discretionary award as of the date of termination based on a level consistent with the level of annual incentives (as a percentage of base salary) of other executives of comparable rank whose annual incentives are based on pre-set performance goals, but in an amount not less than the pro rata amount of the individual NEO's average prior years' annual incentive amount referred to above.

- For a period of up to one year following the 24-month protected period after the change-in-control, termination of the individual NEO's employment by us not for cause or by the individual NEO for good reason (as defined in the agreement) would entitle them to receive a payment equal to 1.5 times the sum of their base salary and their average annual incentive awards actually paid or payable for performance in the three fiscal years preceding the year in which the change-in-control occurs.

None of our change-in-control agreements, the Chairman's employment agreement, nor the two referenced transition agreements contained provisions that provided for a tax "gross-up" if change-in-control payments were to trigger "golden parachute" excise taxes. In the event that the amounts payable to the individual NEO in connection with a change-in-control and their termination thereafter are subject to the golden parachute excise tax, the payment to be made to the individual NEO may be reduced if the reduction would provide the individual NEO with a greater after-tax amount than would be the case if no such reduction took place.

Under the change-in-control agreements for our NEOs other than our Chairman, each individual NEO would be eligible, subject to compliance with certain post-employment restrictions, for company-provided health-care benefits in the event of a termination in connection with a change-in-control. In addition, each agreement prohibits an individual NEO from competing (as defined) with us for a period of one-year after a change-in-control. The initial term of the change-in-control agreements is two years, with annual renewals thereafter.

FISCAL 2017 COMPENSATION TABLES

Except with respect to Dr. Sloane, the summary table below takes into consideration the circumstances of the event and the additional payments that each NEO would be entitled to under the agreements described and the 2000 Stock Incentive Plan, assuming the event occurred as of July 31, 2017. The amounts shown for Dr. Sloane represent the actual payments and benefits that have been made pursuant to the Sloane Transition Agreement. In accordance with SEC rules, company-wide benefits and plans (including severance payments described above) that are generally available to all salaried employees and are non-discriminatory are excluded. Amounts shown are calculated without regard to the potential for reduction in order that the executive not incur a golden parachute excise tax.

Termination Scenario (As of July 31, 2017)	Fred Kornberg	Stanton D. Sloane (4)	Michael Galletti	Michael D. Porcelain	Richard L. Burt	John Branscum, Jr.
Potential Severance Payments upon Termination:						
Termination by Us Without Cause or Voluntary Termination Due to Company Breach						
Amount payable per employment agreement	$7,755,369	-	-	-	-	-
Amount payable per transition agreement	-	$875,000	-	-	-	-
Health and life insurance continuation (3)	578,974	7,200	-	-	-	-
Long-term equity incentive award vesting (1)	-	216,891	-	-	-	-
Single payment payable per employment agreement	22,500	-	-	-	-	-
Potential Change-in-Control Payments:						
Change-in-Control – Assuming no Termination (as defined)						
Long-term equity incentive award vesting (1)	$2,443,536	-	$519,084	$805,572	$744,750	$725,958
Termination Without Cause or For Good Reason (as defined)						
Amount payable per employment agreement	6,592,450			-	-	-
Non-equity incentive plan award payable (2)	1,324,232			-	-	-
Health and life insurance continuation (3)	580,937			-	-	-
Single payment payable per employment agreement	37,500			-	-	-
Termination Without Cause or For Good Reason (as defined)						
Change-in-control payments	-		573,750	2,721,734	2,129,336	1,819,931
Non-equity incentive plan award payable (2)	-		326,677	529,462	51,862	264,231
Health insurance continuation (3)	-		78,030	36,662	51,460	75,646

(1) For all NEOs other than Dr. Sloane, these amounts represent the aggregate value of stock-based awards (including the value of in-the-money stock options) as of July 31, 2017 that would become vested as a direct result of the applicable termination or upon a change-in-control. The performance-based restricted stock units granted in 2015, 2016 and 2017 would become vested upon a change-in-control if replacement awards providing equivalent rights and benefits were not granted, but not otherwise. If vesting accelerates for such awards, the restricted stock units

will be deemed to be earned at the higher of the target level or the actual performance level to-date projected to be continued through the end of the performance period. For purposes of this table it is assumed that such awards would have vested as of July 31, 2017 (i.e., that they would not be assumed in the transaction), and the applicable level of such vesting would have been the target level. These aggregate values do not reflect the value of stock-based awards based on their remaining term, and do not discount the value of awards based on the portion of the vesting period elapsed at the date of the termination event or change-in-control. Market value and in-the-money value are based on the closing price of our Common Stock, $18.00, on July 31, 2017. For Dr. Sloane, this amount represents the value of the Long-Term Performance Shares held by Dr. Sloane for which the time-vesting was accelerated pursuant to the Sloane Transition Agreement, with the payout made based on actual performance achieved through the date of Dr. Sloane's resignation as the Chief Executive Officer and President.

(2) The non-equity incentive plan awards represent the amount that would have been payable without the use of the ECC’s negative discretion.

(3) For NEOs, other than Dr. Sloane, health and life insurance continuation amounts are estimates based on the current plan in which the executive officer is enrolled and will vary in amount for a given executive officer based on the actual plan and actual costs following termination of employment. Mr. Kornberg has voluntarily elected to discontinue participation in the Company’s medical insurance program and enrolled in a non-Company sponsored healthcare plan. For Dr. Sloane, this amount represents the actual amount paid to Dr. Sloane pursuant to the Sloane Transition Agreement for six months of medical coverage premium payments.

FISCAL 2017 COMPENSATION TABLES

(4) For Dr. Sloane the table reflects the actual payments and benefits that have been made pursuant to the Sloane Transition Agreement as a result of Mr. Sloane's resignation as the Chief Executive Officer and President of the Company. This amount constitutes payment of $575,000, equal to twelve months' base salary, plus payment of $300,000 in respect of fiscal 2016 and fiscal 2017 annual incentive compensation.

Other than payments to Dr. Sloane, none of the above payments have actually been made to any of the NEOs. The actual payments and benefits that would be made to each NEO under each circumstance can only be known once a qualifying event occurs. For a description of the actual payments to our former CEO in connection with his termination of employment, see the "Compensation Discussion and Analysis - Other Policies and Practices - Employment Agreements and Change-In-Control Practices - Former CEO's Employment Agreement."

Securities Authorized for Issuance Under Equity Compensation Plans Equity Compensation Information Table

The following table sets forth information as of July 31, 2017 regarding our compensation plans and the Common Stock we may issue under the plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights, and conversion of stock units, restricted stock units and performance shares (1)	Weighted-average exercise price of outstanding options, warrants and rights, and conversion of stock units, restricted stock units and performance shares (1)	Number of securities remaining available for future issuance under equity compensation plans (2)
Equity compensation plans approved by stockholders	2,913,773	$21.65	1,781,036
Equity compensation plans not approved by stockholders	—	—	—
Total	2,913,773	$21.65	1,781,036

(1) The number reported in this column assumes that long-term performance shares are earned at 200% of the target number of long-term performance shares. See Note (3) to the “Summary Compensation Table - Fiscal 2017.” Stock units, restricted stock units and performance shares are convertible into shares of our Common Stock on a one-for-one basis, subject to certain vesting and other requirements, and do not require the payment of an exercise price. As such, for these awards, the weighted average exercise price reflected in the above table assumes a zero exercise price. The weighted average exercise price of stock option awards only was $28.60 as of July 31, 2017.

(2)

Includes 601,418 shares available for issuance under the Comtech Telecommunications Corp. Employee Stock Purchase Plan. That plan permits employees to purchase shares at a discount from fair market value of up to 15% of the market price of our Common Stock at the beginning or end of each calendar quarter. 1,179,618 shares remained available for issuance under the 2000 Stock Incentive Plan for either stock options, stock appreciation rights (which constitute options, warrants or rights for purposes of this table), restricted stock, restricted stock units, and other full-value awards.

AUDIT COMMITTEE AND OTHER MATTERS

Audit Committee Report

Our Audit Committee has furnished the following report.

The information contained in the “Audit Committee Report” is not to be deemed to be “soliciting material” or to be “filed” with the Securities and Exchange Commission (“SEC”), nor is such information to be incorporated by reference into any future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference into such filings.

The Audit Committee assists the Board of Directors in fulfilling its responsibilities by overseeing the accounting and financial reporting processes of Comtech, the audits of Comtech’s consolidated financial statements and internal control over financial reporting, the qualifications and performance of the independent registered public accounting firm engaged as Comtech’s independent auditor, and the performance of Comtech’s internal auditor. Management is responsible for the financial statements and the reporting process, including the system of internal controls. Deloitte & Touche LLP (“Deloitte”), Comtech’s independent registered public accounting firm, is responsible for expressing an opinion on the conformity of the audited financial statements with accounting principles generally accepted in the United States of America and on the effectiveness of the Company’s internal control over financial reporting.

In fiscal 2017, in fulfilling its responsibilities the Audit Committee, among other things:

- reviewed and discussed the audited financial statements contained in the 2017 Annual Report on SEC Form 10-K with Comtech’s management and with Deloitte;

- discussed with Deloitte the matters required to be discussed by Statement on Auditing Standards No. 1301, Communication with Audit Committees, as amended and adopted by the Public Company Accounting Oversight Board; and

- received written disclosures and the letter from Deloitte required by Public Company Accounting Oversight Board Rule 3526, "Communication with Audit Committees Concerning Independence," and discussed with Deloitte its independence from Comtech and its management.

In reliance on the reviews and discussion noted above, the Audit Committee recommended to the Board of Directors, and the Board of Directors has approved, that the audited financial statements be included in Comtech’s Annual Report on Form 10-K for the fiscal year ended July 31, 2017, for filing with the SEC.

Audit Committee

Lawrence J. Waldman, Chairman
Robert G. Paul
Dr. Yacov A. Shamash

AUDIT COMMITTEE AND OTHER MATTERS

Certain Relationships and Related Transactions

Policies and Procedures Regarding Related Party Transactions

Our Standards of Business Conduct provide that transactions with related parties, as defined in the Standards of Business Conduct, must be communicated to the Corporate Compliance Officer and, as applicable, the Audit Committee. Effective November 18, 2016, the Audit Committee responsibilities involve evaluating related party transactions, including all transactions between the Company and any of its directors, executive officers, family members of directors and executive officers, and companies in which any director, executive officer or family member is known to be employed or is known to be a partner, principal or in a similar position. Prior to November 18, 2016, the Nominating and Governance Committee was responsible for evaluating such transactions.

In addition, our Corporate Governance Guidelines adopted by the Audit Committee provide that, without the prior approval of a majority of disinterested members of the full Board of Directors and, if required by applicable listing standards, the Company will not make significant charitable contributions to organizations in which a director or family member of the director is affiliated, enter into consulting contracts with (or otherwise provide indirect compensation to) a director, or enter into any relationships or transactions (other than service as a director and Board of Directors committee member) between the Company and the director (or any business or nonprofit entity or organization in which the director is a general partner, controlling stockholder, officer, manager, or trustee, or materially financially interested).

When evaluating any related party transaction, the Audit Committee considers, among other matters, the terms of the proposed transaction or arrangement, as compared to the terms that could reasonably be expected to be obtained from an unrelated party, and whether the proposed transaction or arrangement is in the best interests of the Company and its stockholders.

Certain Transactions

We lease a 46,000 square foot facility in Melville, New York from a partnership controlled by our Chairman, CEO and President. This facility has been used by our Government Solutions segment for manufacturing, engineering, sales and other administration functions for many years. In June 2011, in connection with our lease expiring in December 2011, our Nominating and Governance Committee of the Board of Directors performed a comprehensive assessment to determine: (i) whether or not the facility met our current and future business requirements, and (ii) what terms and conditions we should consider in potentially negotiating a new lease. In determining current and future business requirements, the Nominating and Governance Committee considered detailed operational requirements prepared by appropriate management levels within our RF microwave amplifiers segment. In determining the terms and conditions that we should consider, our Nominating and Governance Committee obtained written reports from three independent commercial real estate firms regarding prevailing rents for comparable facilities in the general vicinity. Our annual rent for this facility was approximately $617,000 for fiscal 2017. The lease provides for our use of the premises as they exist through December 2021 with an option, exercisable by us, for an additional ten-year period. Additionally, we have a right of first refusal in the event of a sale of the facility.

The son of Mr. Burt (a Senior Vice President of the Company and President of Comtech Systems, Inc.) is employed by our Company as a Vice President of International Marketing and his aggregate compensation (including salary and incentive sales commissions) for fiscal 2017 of approximately $365,000 was comparable with other Comtech employees in similar positions.

PROPOSALS

PROPOSAL NO. 1 – ELECTION OF TWO DIRECTORS

ttt
Our Board of Directors recommends a vote
FOR the Election of
Ira S. Kaplan,
Yacov A. Shamash
to our Board of Directors

Our Board of Directors is divided into three classes. Members of our Board of Directors are elected for three-year terms, with the term of office of one class expiring at each annual meeting of Comtech's stockholders. Mr. Kaplan and Dr. Shamash are in the class whose term expires at the Fiscal 2017 Annual Meeting of Stockholders. Mr. Kornberg and Mr. Kantor are in the class whose term of office expires at the Fiscal 2019 Annual Meeting of Stockholders. Messrs. Paul and Waldman are in the class whose term of office expires at the Fiscal 2018 Annual Meeting of Stockholders. All directors serve until their successors are duly elected and qualified. Mr. Kaplan is a current director standing for re-election, and was elected at the Fiscal 2014 Annual Meeting of Stockholders held on January 9, 2015. Dr. Shamash is a current director standing for re-election, and was elected at the Fiscal 2016 Annual Meeting of Stockholders held on December 8, 2016. The election of each nominee will require the affirmative vote of a majority of the shares voted in person or by proxy on the proposal at the Fiscal 2017 Annual Meeting of Stockholders. Abstentions and broker non-votes will have no effect on the outcome of the election.

See Part 2 - "Stockholders, Directors and Executive Officers" for biographies and director qualifications of our nominees for Director.

PROPOSALS

PROPOSAL NO. 2 - APPROVE
(ON AN ADVISORY BASIS) COMPENSATION OF THE
NAMED EXECUTIVE OFFICERS AS DISCLOSED
IN THIS PROXY STATEMENT
ttt

Our Board of Directors recommends a vote
FOR the proposal to approve compensation of
the Named Executive Officers as disclosed in this Proxy Statement.

The ECC believes that compensation of our executive officers in fiscal 2017 met the objectives of our program which were to foster long-term business success using a pay-for-performance philosophy.

We are providing stockholders with the opportunity to cast an advisory vote on the compensation of our Named Executive Officers ("NEOs") as disclosed in this Proxy Statement, including in the section entitled "Compensation Discussion and Analysis," the compensation tables and other executive compensation disclosures. Stockholders are being asked to vote on the following resolution:

Resolved, that the stockholders approve the compensation of Comtech's executive officers named in the Summary Compensation Table, as disclosed in Comtech's Proxy Statement dated November 16, 2017, including the Compensation Discussion and Analysis, the compensation tables and other executive compensation disclosures.

Although this proposal is advisory and not binding, the ECC, which is comprised solely of independent directors and is responsible for making decisions regarding the amount and form of compensation paid to our executive officers, will carefully consider the stockholder vote on this matter, along with other expressions of stockholder views it receives on specific policies and desirable actions. In each case, the ECC will seek to understand the concerns that influenced the vote and address them in making future decisions affecting our executive compensation program.

Please refer to the sections of this Proxy Statement entitled "Compensation Discussion and Analysis" and "Fiscal 2017 Compensation Tables" for a detailed discussion of our executive compensation principles and practices, the fiscal 2017 compensation of our NEOs, and changes implemented in our program for fiscal 2017.

We urge you to read these sections of the proxy statement and the related compensation tables closely in determining how to vote on this matter.

PROPOSALS

PROPOSAL NO. 3 – PROPOSAL REGARDING THE FREQUENCY (ON AN ADVISORY BASIS) OF EXECUTIVE COMPENSATION ADVISORY VOTES

ttt

Our Board of Directors recommends you vote for a frequency of "say-on-pay" votes of ONE YEAR.

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, we will ask stockholders for an advisory vote on the question of how frequently Comtech should seek the advisory stockholder vote to approve the compensation of our Named Executive Officers (“NEOs”). The advisory stockholder vote to approve NEO compensation is often referred to as the “say-on-pay" vote; Proposal No. 2 is such a “say-on-pay” proposal. This Proposal No. 3 is often referred to as a “say-on-frequency” vote.

We are soliciting your advisory vote on whether to have the "say-on-pay" vote at the annual meeting of stockholders every one, two or three years.

We value the opinion of our stockholders and encourage communication regarding our executive compensation policies and practices. The Board believes that a “say-on-pay” vote every year will provide us with valuable feedback from our stockholders on our executive compensation policies and practices. In light of our Board’s belief that stockholders of other companies have strongly favored annual “say-on-pay” votes, we view an annual frequency as a corporate governance best practice. Accordingly, the Board recommends that stockholders vote for “one year” as the frequency for our “say-on-pay” advisory votes.

Although, as an advisory vote, this proposal is not binding upon Comtech or the Board, the Board expects that it will adopt as Comtech’s policy the frequency for "say-on-pay" votes that is chosen by a plurality of Comtech stockholders voting on this matter.

We urge you to read these sections of the proxy statement and the related compensation tables closely in determining how to vote on this matter.

PROPOSALS

PROPOSAL NO. 4 – RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ttt

Our Board of Directors recommends a vote FOR the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm.

Our Board of Directors has selected Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for the 2018 fiscal year, subject to ratification by our stockholders. If our stockholders do not ratify the selection of Deloitte, it will be reconsidered by our Board of Directors. Even if the selection is ratified, our Audit Committee, in its discretion, may direct the selection of a different independent registered public accounting firm at any time during the year if our Audit Committee determines that such a change would be in our stockholders' best interests. Representatives of Deloitte are expected to be present at the Fiscal 2017 Annual Meeting of Stockholders, with the opportunity to make a statement, should they so desire, and to be available to respond to appropriate questions.

Our Audit Committee reviews each service performed by Deloitte on a case-by-case basis before approving all audit or permissible non-audit services. Our Audit Committee has concluded that the non-audit services provided by Deloitte are compatible with maintaining the independent registered public accounting firm's independence.

Principal Accountant Fees and Services

The following is a summary of the fees billed to us for the fiscal year ended July 31, 2016 and fees billed to or payable by us for the fiscal year ended July 31, 2017 by Deloitte for professional services rendered:

Fee Category	Fiscal 2017 Fees	Fiscal 2016 Fees
Audit fees (1)	$1,146,000	