

MANTECH INTERNATIONAL CORP
Form DEF 14A
April 01, 2011

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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ManTech International Corporation

(Name of Registrant as Specified In Its Charter)

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(3) Filing Party:

(4) Date Filed:

12015 Lee Jackson Highway

Fairfax, VA 22033-3300

April 1, 2011

Dear Stockholder:

You are cordially invited to attend the 2011 Annual Meeting of Stockholders of ManTech International Corporation, which will be held at The Hyatt Fair Lakes, 12777 Fair Lakes Circle, Fairfax, VA 22033, on Thursday, May 12, 2011, at 11 am (EDT).

We have provided details of the business to be conducted at the meeting in the accompanying Notice of Annual Meeting of Stockholders, proxy statement, and form of proxy. We encourage you to read these materials so that you may be informed about the business to come before the meeting.

Your participation is important, regardless of the number of shares you own. In order for us to have an efficient meeting, please sign, date, and return the enclosed proxy card promptly in the accompanying reply envelope. You can find additional information concerning our voting procedures in the accompanying materials.

We look forward to seeing you at the meeting.

Sincerely,

George J. Pedersen

Chairman of the Board and Chief Executive Officer

12015 Lee Jackson Highway

Fairfax, VA 22033-3300

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 12, 2011

The 2011 Annual Meeting of Stockholders (Annual Meeting) of ManTech International Corporation, a Delaware corporation (the Company), will be held at The Hyatt Fair Lakes, 12777 Fair Lakes Circle, Fairfax, VA 22033, on Thursday, May 12, 2011, at 11 am (EDT), for the following purposes, as more fully described in the proxy statement accompanying this notice:

1. To elect nine (9) persons as directors of the Company, each to serve for a term of one year, or until their respective successors shall have been duly elected and qualified;
2. To hold a non-binding advisory vote on the compensation of our named executive officers as required pursuant to Section 14A of the Securities Exchange Act of 1934;
3. To hold a non-binding advisory vote on the frequency of holding an advisory vote on the compensation of our named executive officers as required pursuant to Section 14A of the Securities Exchange Act of 1934;
4. To approve our Management Incentive Plan, as amended and restated;
5. To ratify the appointment of Deloitte & Touche LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011; and

6. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof. Stockholders of record at the close of business on March 15, 2011 (Record Date) are entitled to vote at the Annual Meeting. A complete list of stockholders eligible to vote at the Annual Meeting will be available for examination by our stockholders during the ten days prior to the Annual Meeting, between the hours of 9 am and 5 pm (EDT), at the offices of the Company at 12015 Lee Jackson Highway, Fairfax, VA 22033-3300.

You are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, your vote is important. To assure your representation at the Annual Meeting, please sign and date the enclosed proxy card, and return it promptly in the accompanying reply envelope, which requires no additional postage. Should you receive more than one proxy because your shares are registered in different names and addresses, each proxy should be signed and returned to assure that all your shares are voted.

The proxy statement and form of proxy are being mailed on or about April 1, 2011.

By Order of the Board of Directors

George J. Pedersen

Chairman of the Board and Chief Executive Officer

Fairfax, Virginia

April 1, 2011

Important Notice Regarding Availability of Proxy Materials for ManTech's

Annual Meeting of Stockholders to be Held on May 12, 2011:

The Proxy Statement, our Proxy Card and our Annual Report to Shareholders are available at

<http://www.mantech.com/IR/SEC-Proxy.asp>

12015 Lee Jackson Highway

Fairfax, VA 22033-3300

**PROXY STATEMENT FOR
2011 ANNUAL MEETING OF STOCKHOLDERS**

The Board of Directors (the Board) of ManTech International Corporation (the Company) is soliciting proxies to be voted at the 2011 Annual Meeting of Stockholders (Annual Meeting) to be held on Thursday, May 12, 2011, at 11 am (EDT), at The Hyatt Fair Lakes, 12777 Fair Lakes Circle, Fairfax, VA 22033, and at any adjournments or postponements thereof.

The mailing address of our principal executive offices is 12015 Lee Jackson Highway, Fairfax, VA 22033-3300. This proxy statement, the accompanying Notice of Annual Meeting of Stockholders, and the enclosed proxy card are first being mailed to our stockholders on or about April 1, 2011 (Mailing Date).

GENERAL INFORMATION

The Board is soliciting proxies to be voted at the Annual Meeting. When we ask you for your proxy, we must provide you with a proxy statement that contains certain information specified by law.

At the Annual Meeting, we will ask you to consider and vote on the following matters:

1. To elect nine (9) persons as directors of the Company, each to serve for a term of one year, or until their respective successors shall have been duly elected and qualified;
2. To hold a non-binding advisory vote on the compensation of our named executive officers as required pursuant to Section 14A of the Securities Exchange Act of 1934;
3. To hold a non-binding advisory vote on the frequency of holding an advisory vote on the compensation of our named executive officers as required pursuant to Section 14A of the Securities Exchange Act of 1934;
4. To approve our Management Incentive Plan, as amended and restated; and
5. To ratify the appointment of Deloitte & Touche LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.

We do not expect any other items of business because the deadline for stockholder proposals and nominations has already passed. Nonetheless, in case there is an unforeseen need, the accompanying proxy gives discretionary authority to the persons named on the proxy, George J. Pedersen and Jeffrey S. Brown, with respect to any other matters that might be brought before the meeting. Those persons intend to vote that proxy in accordance with their discretion and best judgment.

Record Date and Stockholders Entitled to Vote

Record Date

Stockholders as of the close of business on March 15, 2011 (Record Date) may vote at the Annual Meeting.

Our Stock

We have two classes of outstanding stock: our Class A common stock and our Class B common stock. As of March 15, 2011, a total of 36,612,400

shares were outstanding: 23,337,055 shares of Class A common stock and 13,275,345 shares of Class B common stock. Holders of Class A common stock are entitled to one vote for each share of Class A common stock they hold on the Record Date. Holders of Class B common stock are entitled to ten votes for each share of Class B common stock they hold on the Record Date.

Voting Requirements and Other Matters

Quorum

The holders of a majority in voting power of the common stock entitled to vote at the Annual Meeting must be present, either in person or by proxy, to constitute a quorum for the Annual Meeting. Abstentions and broker non-votes are considered present at the meeting for purposes of determining whether a quorum is present.

How to Vote

You can only vote your shares at the Annual Meeting if you are present either in person or by proxy.

If you vote by mail, you must sign and date each proxy card that you receive, and return it in the prepaid envelope. Sign your name exactly as it appears on the proxy. If you return a proxy card that is not signed, then your vote cannot be counted. If you return a proxy card that is signed and dated, but you do not specify voting instructions, we will vote on your behalf as follows:

- Ø FOR the election of the nine (9) directors nominated by our Board and named in this proxy statement (Proposal 1 Election of Directors);
- Ø FOR the resolution approving the compensation of our named executive officers (Proposal 2 Say on Pay);
- Ø For the frequency of every THREE YEARS for holding an advisory vote on named executive officer compensation (Proposal 3 Say on Frequency);
- Ø FOR the approval of our Management Incentive Plan, as amended and restated (Proposal 4 Approval of MIP); and
- Ø FOR the ratification of the appointment of Deloitte & Touche, LLP as the Company's independent registered public accounting firm (Proposal 5 Ratification of Auditors).

You may vote your shares in person at the Annual Meeting. However, we encourage you to vote by proxy card even if you plan to attend the meeting.

Voting ESOP Shares

Stockholders who are current or former employees participating in our Employee Stock Ownership Plan (ESOP) and have shares of our stock allocated to their account as of the Record Date have the right to direct the plan trustee on how to vote their shares. If you do not send instructions to the plan trustee in a proper manner, or if the instructions are not timely received, the trustee will not vote the shares allocable to your account.

Broker Non-Votes

If your shares are held by a broker, the broker will ask you how you want your shares to be voted. If you give the broker instructions, your shares will be voted as you direct. For Proposals 1, 2, 3, and 4 or for any other non-routine matter to come before the Annual Meeting, if you do not give instructions, the broker may not vote your shares at all (a broker non-vote). If you do not give instructions for Proposal 5, which is considered a routine matter, the broker may vote your shares in its discretion.

Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting, but will not be counted for purposes of determining the number of votes cast or votes present in person or represented by proxy. Thus, a broker non-vote will not impact our ability to obtain a quorum or otherwise affect the outcome of votes on the above proposals.

Revoking Your Proxy

If you execute a proxy pursuant to this solicitation, you may revoke it at any time prior to its exercise by (i) delivering written notice to our Corporate Secretary at our principal executive offices before the Annual Meeting; (ii) executing and delivering a proxy bearing a later date to our Corporate Secretary at our principal executive offices; or (iii) voting in person at the Annual Meeting.

Votes Required

Approval of each of the proposals submitted to a vote at the Annual Meeting is subject to the affirmative vote requirement shown in the table below.

Proposal	Vote Required	Broker Discretionary Voting Allowed
Proposal 1 Election of Directors	Plurality	No
Proposal 2 Say on Pay	Majority	No
Proposal 3 Say on Frequency	Plurality	No
Proposal 4 Approval of MIP	Majority	No
Proposal 5 Ratification of Auditors	Majority	Yes

Plurality will be determined with respect to votes cast on a particular proposal. If you vote ABSTAIN on any proposal requiring a Plurality, your vote will not be counted in determining the number of votes cast.

Majority will be determined with respect to votes present in person or represented by proxy, and entitled to vote. If you vote ABSTAIN on any proposal requiring a Majority, your vote will have the same effect as a vote AGAINST that proposal.

Tabulation of Votes

Mr. Michael R. Putnam, our Senior Vice President, Corporate and Regulatory Affairs, has been appointed inspector of elections for the Annual Meeting. Mr. Putnam will separately tabulate the affirmative votes, negative votes, abstentions, and broker non-votes with respect to each of the proposals.

Voting Results

We will announce preliminary voting results at the Annual Meeting. We will disclose the final results on a Form 8-K that we file with the Securities and Exchange Commission (SEC) within four business days following the Annual Meeting.

Ownership by Insiders

As of March 15, 2011, our directors and executive officers beneficially owned an aggregate of 422,099 shares of Class A common stock (such number includes shares of common stock that may be issued upon exercise of outstanding options that are currently exercisable or that may be exercised prior to May 14, 2011) and 13,275,345 shares of Class B common stock, which together constitute approximately 37% of our outstanding common stock and 85.1% of the voting control of common stock entitled to vote at the Annual Meeting.

Solicitation

The Board is making this solicitation of proxies on our behalf. In addition to the solicitation of proxies by use of the mail, our officers and employees may solicit the return of proxies by personal interview, telephone, email or facsimile. We will not pay additional compensation to our officers and employees for their solicitation efforts, but we will reimburse them for any out-of-pocket expenses they incur in their solicitation efforts.

We will request that brokerage houses and other custodians, nominees, and fiduciaries forward our solicitation materials to beneficial owners of our common stock that is registered in their names. We will bear all costs associated with preparing, assembling, printing, and mailing this proxy statement and the accompanying materials, the cost of forwarding our solicitation materials to the beneficial owners of our common stock, and all other costs of solicitation.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

The Board has established and adopted guidelines that it follows in matters of corporate governance (Corporate Governance Guidelines). These Corporate Governance Guidelines assist the Board in the exercise of its responsibilities and provide a framework for the efficient operation of our Company, consistent with the best interests of our stockholders and applicable legal and regulatory requirements. The Nominating and Corporate Governance Committee reviews and reassesses the adequacy of the Corporate Governance Guidelines on an annual basis. We have posted a current copy of our Corporate Governance Guidelines, which was last amended in January 2011, on the Corporate Governance page in the Investors Relations section of our website at www.mantech.com (our Website).

Director Independence

The Board is comprised of a majority of directors who are independent from management. Each of our Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee is comprised entirely of independent directors.

The Board has conducted an evaluation of director independence, based on the independence standards applicable to Nasdaq-listed companies and applicable SEC rules and regulations. In the course of the Board's evaluation of the independence of each non-management director, the Board considered any transactions, relationships, and arrangements between each such director (or any member of his or her immediate family) and the Company, its subsidiaries, and its affiliates. The purpose of this evaluation was to determine whether any relationships or transactions exist that could be inconsistent with a determination by the Board that the director has no relationship that would interfere with his or her exercise of independent judgment in carrying out the responsibilities of a director.

As a result of this evaluation, the Board has affirmatively determined that the following directors nominated for election at the Annual Meeting are independent of the Company and its management under the above referenced standards and regulations:

Ø Mary K. Bush	Ø Richard J. Kerr
Ø Barry G. Campbell	Ø Kenneth A. Minihan
Ø Walter R. Fatzinger, Jr.	Ø Stephen W. Porter
Ø David E. Jeremiah	

The Board determined that George J. Pedersen, our Chairman of the Board and Chief Executive Officer, is not independent because he is employed by the Company.

The Board determined that Richard L. Armitage is not independent because his brother-in-law is a partner with the Company's independent auditors, Deloitte & Touche LLP.

Board Leadership Structure

The Board believes that no single leadership model is right for all companies at all times. Depending on the circumstances, different leadership models might be appropriate. Our Corporate Governance Guidelines do not require the role of Chief Executive Officer and Chairman of the Board to be separate or combined. The Board's policy as to whether the role of the Chief Executive Officer and Chairman

of the Board should be separate or combined is to adopt the practice that best serves the Company at any point in time. The Board currently combines the role of Chairman of the Board with the role of Chief Executive Officer, and has coupled this with a Presiding Independent Director to further strengthen our governance structure. The Board believes this structure provides an effective and efficient leadership model for the Company at this time. Combining the Chairman and CEO roles fosters clear accountability, effective decision-making, and alignment on corporate strategy.

Because we have combined the Chairman and CEO roles, pursuant to our Corporate Governance Guidelines, our independent directors have designated Mr. Campbell to serve as the Presiding Independent Director. Mr. Campbell's duties as Presiding Independent Director include:

- Ø Coordinating the activities of the independent directors (or non-management directors, in certain circumstances);
- Ø Calling for meetings or sessions of the independent directors (or non-management directors, in certain circumstances) and coordinating the agenda for such sessions;
- Ø Facilitating communications and functioning as principal liaison on Board-wide issues between the independent directors and the Chairman of the Board; and
- Ø When necessary, recommending the retention of outside advisors and consultants who report directly to the Board.

Board and Committee Executive Sessions and Independent Directors Meetings

The independent directors (or non-management directors, in certain circumstances) of the Board regularly meet in executive session without the presence of management following the adjournment of Board meetings. The Board holds no fewer than two independent directors meetings annually. The major standing committees of the Board (including the Audit, Compensation, and Nominating and Corporate Governance Committees) also regularly meet in executive session. As Presiding Independent Director, Mr. Campbell presides over executive sessions and meetings of our independent directors (or non-management directors, in certain circumstances), and the committee chairmen preside over executive sessions of their respective committees.

Board's Role in Risk Oversight

The Board oversees the management of risks inherent in the operation of the Company's business. The Board oversees the management of risk principally through the Audit Committee. Among other activities, the Audit Committee oversees the Company's enterprise risk management program. The Board has delegated the responsibility for oversight of certain of the Company's business activities, particularly those designated as classified by the U.S. government or which otherwise present a potential significant risk to the Company, to its Special Programs Oversight Committee. Additionally, the Board has delegated the responsibility for overseeing the assessment of risks associated with the Company's compensation policies and programs to its Compensation Committee. Each of these committees receives and discusses reports regularly with members of management who are responsible for applicable day-to-day risk management functions of the Company. The Board's role in risk oversight has not had any effect on the Board's leadership structure.

Board and Committee Self-Evaluations

Each of the Board and the Audit, Compensation, and Nominating and Corporate Governance Committees conducts an annual self-evaluation. These evaluations are designed to foster candid

discussion regarding the adequacy and effectiveness of the Board and its committees, including an assessment of the performance of individual Board and committee members. The Nominating and Corporate Governance Committee is charged with responsibility for overseeing the evaluation process, and reviews the results of such self-evaluations (as reported by the Chairman of the Board and committee chairmen) in making recommendations regarding the nomination of incumbent directors for re-election to the Board and committee composition for each Board term.

Director Nominations

The Nominating and Corporate Governance Committee, which is comprised entirely of independent directors, is responsible for reviewing the qualifications of potential director nominees, and then recommending director candidates for nomination by the Board. Our Nominating and Corporate Governance Committee operates under a written charter that is available on the Corporate Governance page of our Website.

The Nominating and Corporate Governance Committee generally identifies and attracts candidates through its own efforts, and it believes that this method has been effective. However, if in the future the Board determines that it is in the Company's best interest to use the services of a consultant or a search firm to assist with the identification and selection process, it will do so.

We do not have a formal policy regarding the consideration of diversity in identifying potential director nominees. However, the Nominating and Corporate Governance Committee considers diversity in its broadest sense when evaluating candidates, and evaluates its consideration of diversity as part of the annual self-evaluation process. Our Corporate Governance Guidelines direct that the evaluation of nominees should include (but not be limited to) an assessment of whether a nominee would provide the Board with a diversity of viewpoints, backgrounds, experiences, and other demographics. The Nominating and Corporate Governance Committee has a policy regarding the consideration of director candidates recommended by our stockholders (Nominations Policy). The Nominations Policy describes the circumstances pursuant to which the Nominating and Corporate Governance Committee will consider Board candidates recommended by our stockholders. The Nominations Policy also describes the procedures to be followed by such stockholders in submitting their recommendations. We have made the Nominations Policy available on the Corporate Governance page of our Website.

Generally, the Nominating and Corporate Governance Committee will consider candidates recommended by stockholders who beneficially own at least 1% of our outstanding stock at the time of recommendation (Qualifying Stockholder). Qualifying Stockholders wishing to recommend candidates to the Nominating and Corporate Governance Committee may do so by submitting a completed Stockholder Recommendation of Candidate for Director Form (Recommendation Form), which is embedded in the Nominations Policy posted on our Website.

Qualifying Stockholders wishing to recommend a nominee for election as director at the next annual meeting of stockholders must submit their completed Recommendation Form at least 120 days in advance of the one-year anniversary of the date of the mailing of this proxy statement. The Nominating and Corporate Governance Committee will only evaluate a candidate if he or she has indicated a willingness to serve as a director and cooperate with the evaluation process.

Code of Ethics

This year, we revised our *Standards of Ethics and Business Conduct*, which sets forth the policies comprising our code of conduct. The policies in our *Standards of Ethics and Business Conduct* satisfy the SEC's requirements for a code of ethics applicable to our principal executive officer, principal financial officer, principal accounting officer, controller, and persons performing similar functions, as well as Nasdaq's requirements for a code of conduct applicable to all directors, officers, and employees. Among other principles, our *Standards of Ethics and Business Conduct* includes guidelines relating to the ethical handling of actual or potential conflicts of interest, compliance with laws, accurate financial reporting, and procedures for promoting compliance with (and reporting violations of) such standards. A copy of our *Standards of Ethics and Business Conduct* is available on the Corporate Governance page of our Website. We are required to disclose any amendment to, or waiver from, a provision of our code of ethics applicable to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions. We intend to use our Website as a method of disseminating this disclosure, as permitted by applicable SEC rules.

Communication with Directors

We believe that it is important for our stockholders to be able to communicate their concerns to our Board. Stockholders may correspond with any director, committee, or the Board of Directors generally, by writing to the following address: ManTech International Corporation Board of Directors, 12015 Lee Jackson Highway, Fairfax, VA 22033-3300, Attention: Corporate Secretary. Please specify to whom your correspondence should be directed. Our Corporate Secretary has been instructed to promptly forward all correspondences to the relevant director, committee, or the full Board of Directors, as indicated in your correspondence.

Director Attendance at Annual Meeting of Stockholders

We invite all of our directors to attend our annual meeting of stockholders, and we strongly encourage all of them to do so. In furtherance of this policy, we have scheduled one of our regularly scheduled Board meetings on the same day as the Annual Meeting. In 2010, all of our directors except Messrs. Armitage and Jeremiah attended our annual meeting of stockholders.

Availability of Corporate Governance Documents

We have made available on the Corporate Governance page in the Investor Relations section of our Website a number of important documents related to our governance practices, including:

- Ø Corporate Governance Guidelines;
- Ø Charters of all six of our standing Board Committees;
- Ø Certificate of Incorporation and Bylaws;
- Ø Code of Ethics (*Standards of Ethics and Business Conduct*);
- Ø Related Party Transactions Policy;
- Ø Stock Option Grant Policy; and
- Ø Formal policy regarding the consideration of director candidates recommended by stockholders.

We will also make these materials available in print format to any requesting stockholder.

BOARD OF DIRECTORS

AND COMMITTEES OF THE BOARD OF DIRECTORS

Our Board is currently comprised of nine members, each of whom serves for a one-year term that expires at the Annual Meeting. Additional information about each of our directors can be found below under Proposal 1 Election of Directors. Set forth below are details regarding each of the Board's standing committees, director attendance at board and committee meetings, and the compensation of our non-employee directors.

Committees of the Board of Directors

The Board currently has six standing committees: Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, Retirement Plan Committee, Special Programs Oversight Committee, and Executive Committee.

The Board may establish other committees from time to time. A more detailed discussion of each committee's composition, purpose, objectives, authority, and responsibilities can be found in its charter, which we make available on the Corporate Governance page of our Website.

Audit Committee

The primary functions of the Audit Committee are to oversee (i) the integrity of our financial statements, (ii) our accounting and financial reporting processes, and (iii) audits of our financial statements. The Audit Committee was established in accordance with applicable provisions of the Securities Exchange Act of 1934, as amended (Exchange Act). Our Audit Committee operates under a written charter that is available on the Corporate Governance page of our Website. The Audit Committee reviews and reassesses the adequacy of its charter on an annual basis. The charter was most recently revised and amended in March 2010.

The Board annually reviews the qualifications of our Audit Committee members in light of the Nasdaq listing standards' definition of independence for audit committee members and applicable SEC rules

and regulations. The Board has determined that each member of our Audit Committee is independent, as director independence is specifically defined with respect to audit committee members under the Nasdaq listing standards and applicable SEC rules and regulations.

The Board has also determined that the Company has at least one audit committee financial expert serving on the Audit Committee. The Board has identified Messrs. Campbell and Fatzinger, and Ms. Bush as members of the Audit Committee who (i) qualify as an audit committee financial expert under applicable SEC rules and regulations governing the composition of the Audit Committee, and (ii) satisfy the financial sophistication requirement of the Nasdaq listing standards. All of our Audit Committee members have a working familiarity with basic finance and accounting practices.

During 2010, the Audit Committee held six meetings. The Audit Committee is currently comprised of four directors: Messrs. Campbell, Fatzinger, and Kerr, and Ms. Bush. Mr. Campbell serves as Chairman of the Audit Committee.

Compensation Committee

The primary functions of the Compensation Committee are to (i) oversee the determination, implementation, and administration of the remuneration (including salary, incentive cash payments, bonuses, equity compensation, and perquisites) of all directors and executive officers of the Company, (ii) review and approve all equity compensation to be paid to other Company employees, and (iii) administer the Company's stock-based compensation plans. For 2010, the Compensation Committee retained Ernst & Young LLP (E&Y) as the Compensation Committee's independent compensation consultant to assist with its executive compensation-related responsibilities. The services provided by E&Y in its capacity as the Compensation Committee's independent compensation consultant included supporting the design of our executive incentive compensation programs, providing market consensus data for each of our executive officers, and assisting the Compensation Committee in evaluating the compensation of our non-employee directors.

From time to time, with the consent of the Compensation Committee, the Company's management has retained personnel at E&Y to perform services that are not related to work performed as the Compensation Committee's independent compensation consultant (Additional Services), such as conducting financial due diligence in connection with certain merger and acquisition transactions. E&Y receives a fee for the Additional Services. Other than its work for the Compensation Committee, E&Y does not provide any executive, director or other compensation consulting services to the Company, and is not the Company's auditor. During 2010, the Company's management engaged E&Y to perform the following Additional Services: due diligence support on acquisitions and tax-related services. The Compensation Committee has approved the Company's future use of E&Y for these and other projects, including consulting and advisory services with respect to the Company's internal systems and, as directed by the chairman of the Compensation Committee, consulting and advisory services related to compensation of the Company's non-executive officers.

During 2010, the Company paid E&Y the following fees for its services:

Ø	<i>Compensation Consulting Services</i>	\$93,015
Ø	<i>Additional Services</i>	\$407,784

Based on its ongoing review of these relationships, as well as policies and procedures implemented by the Compensation Committee and E&Y, and other factors that the Compensation Committee determines to be relevant, the Compensation Committee has concluded that the compensation consulting advice it receives from E&Y is objective and not influenced by E&Y's other relationships with the Company.

All members of the Compensation Committee are independent directors, within the meaning of applicable Nasdaq listing standards and SEC rules and regulations. All committee members also qualify as non-employee directors under Section 16 of the Exchange Act, and as outside directors under Section 162(m) of the Internal Revenue Code. During 2010, the Compensation Committee held seven meetings. At the direction of the Compensation Committee, certain members of management attend each meeting. The Compensation Committee also meets regularly in executive session without management present. The Compensation Committee is currently comprised of three directors: Messrs. Fatzinger, Campbell, and Jeremiah. Mr. Fatzinger serves as chairman of the Compensation Committee.

The Company's processes and procedures for the consideration and determination of director and executive compensation (including the roles of the Compensation Committee, management, and the Compensation Committee's independent compensation consultant) are discussed below in the sections Compensation of Non-Employee Directors and Compensation Discussion and Analysis, respectively.

Nominating and Corporate Governance Committee

The two primary functions of the Nominating and Corporate Governance Committee are (i) to identify individuals qualified to become members of the Board, and recommend persons for the Board to select as nominees for election to the Board, and (ii) to oversee the Company's corporate governance policies and procedures, and periodically review the Company's Corporate Governance Guidelines. All members of the Nominating and Corporate Governance Committee are independent directors, within the meaning of applicable Nasdaq listing standards and SEC rules and regulations. During 2010, the Nominating and Corporate Governance Committee held three meetings. The Nominating and Corporate Governance Committee is currently comprised of four directors: Messrs. Porter, Campbell, Kerr, and Minihan. Mr. Porter serves as chairman of the Nominating and Corporate Governance Committee.

Retirement Plan Committee

The primary function of the Retirement Plan Committee is to oversee the activities of a management committee that administers the Company's tax-qualified and non-qualified retirement plans. In 2010, the Retirement Plan Committee held five meetings. The Retirement Plan Committee is currently comprised of four directors: Messrs. Fatzinger, Armitage, and Campbell, and Ms. Bush. Mr. Fatzinger serves as chairman of the Retirement Plan Committee.

Special Programs Oversight Committee

The primary function of the Special Programs Oversight Committee is to provide oversight of certain of the Company's business activities involving programs designated as classified by the United States government, and related matters. The Special Programs Oversight Committee may also review programs that, in its judgment, present a potential significant risk to the Company. In 2010, the Special Programs Oversight Committee held two formal meetings. The Special Programs Oversight Committee is currently comprised of five directors: Messrs. Kerr, Armitage, Jeremiah, Minihan, and Pedersen. Mr. Kerr serves as chairman of the Special Programs Oversight Committee.

Executive Committee

The primary function of the Executive Committee is to assist the Board in fulfilling its oversight responsibilities. The Executive Committee is authorized to exercise the powers of the Board in managing the affairs of the Company during intervals between Board meetings, when Board action is

necessary or desirable but convening a special Board meeting is not warranted or practical. In 2010, the Executive Committee held one meeting. Currently, the Executive Committee is comprised of four directors: Messrs. Pedersen, Armitage, Fatzinger, and Porter. Mr. Pedersen serves as chairman of the Executive Committee.

Attendance at Board and Committee Meetings

In addition to the committee meetings set forth above, our Board met eight times in 2010. During 2010, each of our incumbent directors attended or participated in at least 75% of the aggregate of (i) the total number of meetings of the Board, and (ii) the total number of meetings held by all committees of the Board on which such director served (during the period that such person served as a director or committee member, as applicable).

Setting Compensation of Non-Employee Directors

Our Compensation Committee sets compensation for the Company's non-employee directors. The Compensation Committee generally reviews non-employee director compensation on an annual basis. In conducting this review, the Compensation Committee receives input on market trends for non-employee director compensation from its independent compensation consultant, including with respect to the Company's compensation peer group (as set forth in the Compensation Discussion & Analysis section of this proxy statement); however, the Committee does not target non-employee director compensation at any particular percentile or percentile range of the market data. A substantial portion of the non-employee directors' compensation is payable in the form of stock-based compensation, in order to align the interests of the directors with those of the Company's shareholders.

We do not compensate Mr. Pedersen for his service on the Board or any committee of the Board. In certain circumstances, members of the Board may receive reimbursement for certain expenses incurred in connection with attending Board or committee meetings. For the current Board term (which began in May 2010), the Compensation Committee decided not to make any changes to non-employee director cash compensation levels from those approved for the prior Board term. In prior years, annual equity grants to non-employee directors were made in the form of stock options. However, for 2010 the Compensation Committee decided that the annual equity grant to non-employee directors should be made in the form of restricted stock. This decision was based on a combination of factors, including the current option holdings of each director and market trends for boards in our industry. The compensation paid in 2010 to the non-employee directors for their services are reflected in the tables that follow.

NON-EMPLOYEE DIRECTOR COMPENSATION TABLE

The tables and footnotes below reflect the compensation and other fees paid in 2010 to our non-employee directors for their services.

Name (a)	Fees Paid in Cash ¹ (\$) (b)	Stock Awards ² (c)	Total (\$) (d)
Richard L. Armitage	80,500	86,900	167,400
Mary K. Bush	74,875	86,900	161,775
Barry G. Campbell	130,000	86,900	216,900
Walter R. Fatzinger, Jr.	121,000	86,900	207,900
David E. Jeremiah	77,500	86,900	164,400
Richard J. Kerr	96,500	86,900	183,400
Kenneth A. Minihan	74,500	86,900	161,400
Stephen W. Porter	87,500	86,900	174,400

¹ The following table presents the compensation we currently pay to our non-employee directors for their service on our Board and our various standing committees of the Board:

	Annual Retainer (Director/Member)	Additional Annual Retainer (Chairperson)	Meeting Fee
Board of Directors	\$ 50,000	N/A	\$1,500 for each meeting that is attended
Audit Committee	\$ 12,500	\$ 20,000	\$1,500 for each meeting in excess of 4 per Board term
Compensation Committee	\$ 7,500	\$ 10,000	\$1,500 for each meeting in excess of 4 per Board term
Nominating and Corporate Governance Committee	\$ 7,500	\$ 7,500	\$1,500 for each meeting in excess of 4 per Board term
Retirement Plan Committee	\$ 5,000	\$ 5,000	\$1,500 for each meeting in excess of 4 per Board term
Special Programs Oversight Committee	\$ 5,000	\$ 5,000	\$1,500 for each meeting in excess of 4 per Board term
Executive Committee	\$ 10,000	N/A	\$1,500 for each meeting in excess of 4 per Board term
Presiding Independent Director	\$ 5,000	N/A	N/A

² The amounts in this column reflect the aggregate fair market value of the restricted stock award granted on May 12, 2010, as computed in accordance with ASC Topic 718, *Compensation - Stock Compensation*. In 2010, each non-employee director received a grant of restricted stock for 2,000 shares of Class A Common Stock, with a grant price of \$43.45 per share (closing price of our common stock on the Nasdaq stock market on the date of grant, May 12, 2010). Each non-employee director had stock awards in the amount of 2,000 shares of restricted stock outstanding as of December 31, 2010. The non-employee directors were not granted any option awards during 2010. The non-employee directors had option awards outstanding as of December 31, 2010 as follows: Mr. Armitage (29,500), Ms. Bush (25,833), Mr. Campbell (21,667), Mr. Fatzinger (49,500), Mr. Jeremiah (42,500), Mr. Kerr (49,500), Mr. Minihan (32,500), and Mr. Porter (49,500).

PROPOSAL 1

ELECTION OF DIRECTORS

General Information

The Board has nominated each of the current directors to serve as a director until the 2012 Annual Meeting of Stockholders. Each nominee is a current member of the Board, has agreed to stand for election and serve if elected, and has consented to be named in this proxy statement.

Substitute Nominees

If any nominee should become unavailable for election or is unable to be a candidate when the election takes place (or otherwise declines to serve), the persons named as proxies may use the discretionary authority provided to them in the proxy to vote for a substitute nominee designated by the Board. At this time, we do not anticipate that any nominee will be unable to be a candidate for election or will otherwise decline to serve.

Vacancies

Under our Amended and Restated Bylaws, the Board has the authority to fill any vacancies that arise, including vacancies created by an increase in the number of directors, or vacancies created by the resignation of a director. Any nominee so elected and appointed by the Board would hold office for the remainder of the term of office of all directors, which term expires annually at our annual meeting of stockholders.

Information Regarding the Nominees for Election as Directors

The name and age (as of the Mailing Date) of each nominee for election as director, as well as certain additional information concerning each nominee's principal occupation, other affiliations, and business experience during the last five years, are set forth below.

The Board has concluded that each of the incumbent directors should be nominated for re-election based on the specific experience, qualifications, attributes, and skills identified in the biographical information below, in light of the Company's business and structure.

Nominees for Election as Director

Name	Age	Director Since
George J. Pedersen Mr. Pedersen is a co-founder, Chairman of the Board of Directors and Chief Executive Officer of the Company. Mr. Pedersen has served as a Director of Ma	75	1968