

Harris Stratex Networks, Inc.  
Form DEF 14A  
October 04, 2007

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(Rule 141-101)**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))

**Definitive Proxy Statement**

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

**Harris Stratex Networks, Inc.**

(Name of Registrant as Specified In Its Charter)

Not Applicable

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

**Payment of Filing Fee (Check the appropriate box):**

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

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

(2) Aggregate number of securities to which transaction applies: \_\_\_\_\_

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule: 0-11:  
\_\_\_\_\_

(4) Proposed maximum aggregate value of transaction: \_\_\_\_\_

(5) Total fee paid: \_\_\_\_\_  
 Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

**Table of Contents**

637 Davis Drive  
Morrisville, NC 27560 USA  
phone 1-919-767-3230  
fax 1-919-767-3233

www.harrisstratex.com

**HARRIS STRATEX NETWORKS, INC.**  
**637 Davis Drive, Morrisville, NC 27560**

**Notice of 2007 Annual Meeting of Stockholders**  
**To be held on November 14, 2007**

**TO THE HOLDERS OF COMMON STOCK OF HARRIS STRATEX NETWORKS, INC.**

NOTICE IS HEREBY GIVEN that the 2007 Annual Meeting of Stockholders of Harris Stratex Networks, Inc. will be held in our San Jose office, located at 120 Rose Orchard Way, San Jose, California, on Wednesday, November 14, 2007 at 12:30 p.m., local time, for the following purposes:

1. Election of four Class A directors and five Class B directors to serve until the next annual meeting of stockholders or until their successors have been duly elected and qualified.
2. Ratification of the selection by our Audit Committee of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal 2008.
3. The transaction of such other business as may properly come before the annual meeting, or any adjournments or postponements thereof.

Only holders of common stock of record at the close of business on September 21, 2007 are entitled to notice of and to vote at the Annual Meeting and all adjournments or postponements thereof.

Whether or not you expect to attend in person, we urge you to provide a proxy to vote your shares by submitting your proxy via the Internet, by phone, or by signing, dating and returning the proxy card at your earliest convenience. This will help ensure the presence of a quorum at the meeting. If you wish to submit your proxy by mail, an addressed envelope for which no postage is required if mailed in the United States is enclosed.

By Order of the Board of Directors

/s/ Juan Otero

Juan Otero  
General Counsel and Secretary

October 4, 2007

---

**Table of Contents**

**TABLE OF CONTENTS**

<b><u>ABOUT THE MEETING</u></b>	1
<i><u>What is the purpose of the meeting?</u></i>	1
<i><u>What is the record date, and who is entitled to vote at the meeting?</u></i>	1
<i><u>What are the voting rights of the holders of Harris Stratex common stock at the meeting?</u></i>	1
<i><u>Who can attend the Annual Meeting?</u></i>	1
<i><u>How do I vote?</u></i>	2
<i><u>Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?</u></i>	2
<i><u>How can I access the proxy materials and annual report on the Internet?</u></i>	2
<i><u>What is a proxy?</u></i>	2
<i><u>How do I revoke my proxy?</u></i>	2
<i><u>What vote is required to approve each item?</u></i>	3
<i><u>What constitutes a quorum, abstention, and broker <u>non-votes</u> ?</u></i>	3
<i><u>Who pays for the cost of solicitation?</u></i>	3
<i><u>What is the deadline for submitting proposals and director nominations for the 2008 Annual Meeting?</u></i>	3
<i><u>Who will count the votes?</u></i>	4
<b><u>CORPORATE GOVERNANCE</u></b>	4
<i><u>Board Members</u></i>	4
<i><u>Board and Committee Meetings and Attendance</u></i>	5
<i><u>Directors Biographies</u></i>	5
<i><u>Board of Directors Committees</u></i>	7
<i><u>Audit Committee</u></i>	9
<i><u>Compensation Committee</u></i>	9
<i><u>Compensation Committee Interlock and Insider Participation</u></i>	9
<i><u>Corporate Governance Committee</u></i>	9
<i><u>Nominating Committee</u></i>	9
<i><u>Stockholder Communications with the Board</u></i>	10
<i><u>Code of Conduct</u></i>	10
<i><u>Contractual and Other Control Arrangements</u></i>	10
<i><u>Election of Class B Directors</u></i>	10
<b><u>TRANSACTIONS WITH RELATED PERSONS</u></b>	11
<i><u>Tax Sharing Arrangements</u></i>	12
<b><u>DIRECTOR COMPENSATION AND BENEFITS</u></b>	12
<i><u>Fiscal 2007 Compensation of Non-Employee Directors</u></i>	13
<i><u>Indemnification</u></i>	14
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	15
<b><u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u></b>	18
<b><u>EXECUTIVE COMPENSATION</u></b>	19
<i><u>Compensation Discussion and Analysis</u></i>	19
<i><u>Compensation Committee Report</u></i>	25
<i><u>Summary Compensation Table</u></i>	25
<i><u>Grants of Plan-Based Awards for Fiscal 2007</u></i>	28
<i><u>Outstanding Equity Awards at Fiscal Year-End 2007</u></i>	29



**Table of Contents**

<u>Option Exercises and Stock Vested in Fiscal 2007</u>	32
<u>Non-Qualified Deferred Compensation</u>	32
<u>Potential Payments Upon Termination or Change in Control</u>	33
<u>Section 16 Beneficial Ownership Reporting Compliance</u>	36
<u>PROPOSAL NO. 1</u>	36
<u>ELECTION OF DIRECTORS</u>	36
<u>VOTE REQUIRED</u>	37
<u>RECOMMENDATION OF THE BOARD OF DIRECTORS</u>	37
<u>PROPOSAL NO. 2</u>	37
<u>RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	37
<u>Vote Required</u>	38
<u>RECOMMENDATION OF THE BOARD OF DIRECTORS</u>	38
<u>OTHER MATTERS</u>	38
<u>2007 Annual Report</u>	38
<u>Form 10-K</u>	38
<u>Other Business</u>	38

**Table of Contents**

**HARRIS STRATEX NETWORKS, INC.**

**PROXY STATEMENT  
FOR THE ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON NOVEMBER 14, 2007**

We are furnishing this proxy statement ( Proxy Statement ) to you in connection with the solicitation of proxies by the Board of Directors ( Board ) of Harris Stratex Networks, Inc. (which we refer to as the Company, we, our, and ours) for use at the 2007 Annual Meeting of Stockholders, to be held at 12:30 p.m., local time, on November 14, 2007, and any adjournment or postponement thereof. The annual meeting will be held in San Jose, California, located at 120 Rose Orchard Way, San Jose, CA. The telephone number at that location is 408-943-0777. These proxy materials are being mailed on or about October 19, 2007 to our stockholders entitled to notice of and vote at the annual meeting.

All materials filed by the Company with the Securities and Exchange Commission, or SEC, can be obtained at the Commission's Public Reference Room at 100 F Street, N.E, Washington D.C. 20549, or through the Commission's website at [www.sec.gov](http://www.sec.gov). You may obtain information on the operation of the Public Reference Room by calling 800-SEC-0330.

**ABOUT THE MEETING**

**What is the purpose of the meeting?**

The purpose of the 2007 Annual Meeting of Stockholders is to obtain stockholder action on the matters outlined in the notice of meeting included with this Proxy Statement. Our Class A common stockholders and our sole Class B common stockholder, Harris Corporation, or Harris, will vote together to elect four Class A directors, and Harris will vote as the sole Class B common stockholder, to elect five Class B directors. In addition, our Class A and Class B common stockholders, voting together, will be asked to ratify the appointment by our Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2008. In addition, management will report on its 2007 performance and respond to stockholders' questions.

**What is the record date, and who is entitled to vote at the meeting?**

The record date for the stockholders entitled to vote at the annual meeting is September 21, 2007. The record date was established by the Board as required by the Delaware General Corporation Law, or DGCL, and our Bylaws. Owners of record of shares of our Class A and Class B common stock at the close of business on the record date are entitled to receive notice of the annual meeting and to vote at the annual meeting, and at any adjournments or postponements thereof. You may vote all shares that you owned on the record date.

**What are the voting rights of the holders of Harris Stratex common stock at the meeting?**

Each outstanding share of our Class A and Class B common stock is entitled to one vote on each matter considered at the annual meeting. In addition, Harris Corporation is entitled to one vote per share for the election of five Class B directors. As of the record date of September 21, 2007, the number of outstanding shares of Class A common stock was 25,478,101 and the number of outstanding shares of Class B common stock was 32,913,377. Because Harris owned a majority of the combined Class A and Class B common stock on the record date, it will have a majority of the votes in the election of Class A directors. Harris has agreed to vote its shares of Class B common stock in favor of nominees of our Nominating Committee, which includes no Harris representatives, for election as Class A directors. Accordingly, these nominees will be elected at the meeting irrespective of the voting of our Class A common shares.

**Who can attend the Annual Meeting?**

Subject to space availability, all stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis.

---



## **Table of Contents**

If your shares are held in street name (that is, through a bank, broker or other holder of record) and you wish to attend the annual meeting, you need to bring a copy of a bank or brokerage statement reflecting your stock ownership as of the record date to the annual meeting.

### **How do I vote?**

Stockholders of record can direct their votes by proxy as follows:

*Via the Internet:* Stockholders may submit voting instructions to the proxy holders through the Internet by following the instructions included with the proxy card.

*By Telephone:* Stockholders may submit voting instructions to the proxy holders by telephone by following the instructions included with the proxy card.

*By Mail:* Stockholders may sign, date and return proxy cards in the pre-addressed, postage-paid envelope that will be provided if a printed proxy statement is requested.

*At the Meeting:* If you attend the annual meeting, you may vote in person by ballot, even if you have previously returned a proxy card.

If your shares are held in street name through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Street name stockholders who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares.

### **Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials this year instead of a full set of proxy materials?**

Pursuant to new rules recently adopted by the SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the Notice) to our stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on a website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

### **How can I access the proxy materials and annual report on the Internet?**

This Proxy Statement, the form of proxy card, the Notice and our annual report on SEC Form 10-K are available at [www.proxydocs.com/hstx](http://www.proxydocs.com/hstx).

### **What is a proxy?**

A proxy is a person you appoint to vote on your behalf. We are soliciting your vote so all shares of our Class A common stock may be voted at the annual meeting. The proxy holders for the annual meeting are our General Counsel and Secretary, Juan Otero and Associate General Counsel and Assistant Secretary, Meena Elliott.

### **How do I revoke my proxy?**

If the shares of Class A common stock are held in your name, you may revoke your proxy given pursuant to this solicitation at any time before your shares are voted by:

delivering a written notice of revocation to the Company's Secretary, Juan Otero, at 120 Rose Orchard Way, San Jose, CA 95134;

executing and delivering a proxy bearing a later date to the Company's Secretary at the same address;

submitting another proxy by Internet or telephone (the latest dated proxy will control); or

attending the annual meeting and voting in person.

## **Table of Contents**

If your shares are held in street name, you should follow the directions provided by your broker regarding how to revoke your proxy. Your attendance at the annual meeting after having executed and delivered a valid proxy card will not in and of itself constitute a revocation of your proxy.

### **What vote is required to approve each item?**

The director nominees will be reelected by a plurality of the votes cast. Our stockholders may not cumulate votes in the re-election of the director nominees. The director nominees receiving the highest number of affirmative votes of the shares present in person or by proxy at the annual meeting and entitled to vote will be elected. Ratification of the selection of our independent registered public accounting firm requires the affirmative vote of the majority of the stockholders present in person or by proxy at the annual meeting and entitled to vote. Harris has advised us that it intends to vote all of its shares of Class B common stock in favor of the re-election of the director nominees and the ratification of the selection of our independent registered public accounting firm.

### **What constitutes a quorum, abstention, and broker non-votes ?**

The presence at the annual meeting either in person or by proxy of a majority of the outstanding shares of our common stock will constitute a quorum for the transaction of business at the annual meeting. Harris, which holds approximately 56 percent of our outstanding common stock, has advised us that it intends to be present at the meeting thus guaranteeing the presence of a quorum.

Under the DGCL, an abstaining vote and a broker non-vote are counted as present and are, therefore, included for purposes of determining whether a quorum of shares is present at the annual meeting. A broker non-vote occurs when a broker or other nominee holding shares in street name for a beneficial owner signs and submits a proxy or votes with respect to shares of common stock held in a fiduciary capacity, but does not vote on a particular matter because the nominee does not have the discretionary voting power with respect to that matter and has not received instructions from the beneficial owner or because the broker elects not to vote on a matter as to which it does have discretionary voting power. Under the rules governing brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters, but not on non-routine matters. Routine matters include both proposals at the annual meeting, the election of Class A Directors and the ratification of the selection of our independent public accounting firm. With respect to ratification of Proposal No. 1, which requires a plurality vote, broker non-votes will have no effect. With respect to ratification of Proposal No. 2 (ratification of the selection of our independent registered public accounting firm), which requires the affirmative vote of a majority of the shares present at the meeting and entitled to vote, broker non-votes will have the same effect as a negative vote.

### **Who pays for the cost of solicitation?**

We will bear the entire cost of solicitation, including the preparation, assembly, printing, and mailing of this Proxy Statement, the proxy card, and any additional solicitation materials that may be furnished to our stockholders and the maintenance and operation of the website providing Internet access to these proxy materials. We will reimburse brokerage firms and other custodians, nominees, and fiduciaries for reasonable expenses incurred in sending proxy materials to beneficial owners of our common stock and maintaining the Internet access for such materials and the submission of proxies. We may supplement the original solicitation of proxies by mail, by solicitation by telephone, telegram, or other means by our directors, officers and employees. No additional compensation will be paid to these individuals for any such services.

### **What is the deadline for submitting proposals and director nominations for the 2008 Annual Meeting?**

*Stockholder Proposals.* In order for stockholder proposals to be considered properly brought before our 2008 annual meeting, the stockholder's written notice thereof must be received by our General Counsel and Secretary, Juan Otero, at the address of our principal executive offices, not less than 60 days or more than 90 days prior to the meeting. However, in the event that we give less than 70 days prior notice or public disclosure of the annual meeting date, the notice must be received by our General Counsel and Secretary at the address noted above no less than 10 days following the date of our notice or public disclosure of the meeting. The full requirements for the notice are

**Table of Contents**

in Article II, Section 13 of our Bylaws, which is available for review at our website, [www.harrisstratex.com](http://www.harrisstratex.com). In addition, if a stockholder wishes the proposal to be considered for inclusion in our proxy materials for the 2008 annual meeting under SEC Rule 14a-8, written notice thereof must be received by our General Counsel and Secretary at the address noted above by May 19, 2008.

*Nomination of Director Candidates.* In order for a stockholder to nominate a director for election at our 2008 annual meeting, the stockholder's written notice thereof must be received by our General Counsel and Secretary, Juan Otero, at the address of our principal executive officers, not less than 60 days or more than 90 days prior to the meeting. However, in the event that we give less than 70 days prior notice or public disclosure of the annual meeting date, the notice must be received by our General Counsel and Secretary at the address noted above no less than 10 days following the date of our notice or public disclosure of the meeting. The full requirements for the notice are in Article II, Section 14 of our Bylaws, which is available for review at our website, [www.harrisstratex.com](http://www.harrisstratex.com).

The proxies to be solicited by the Board for the 2008 annual meeting will confer discretionary authority on the proxy holders to vote on any stockholder proposal presented at such annual meeting if the Company fails to receive notice of such stockholder's proposal for the meeting in accordance with the periods specified above.

**Who will count the votes?**

An automated system administered by Bowne & Co., Inc. will tabulate the votes cast by proxy. A representative of Bowne & Co., Inc. will act as the inspector of elections for the annual meeting and will tabulate the votes cast in person at the annual meeting.

**CORPORATE GOVERNANCE**

We believe in and are committed to sound corporate governance principles. Consistent with our commitment to and continuing evolution of corporate governance principles, we adopted a Code of Business Ethics, Nominating Committee, Audit Committee, Compensation Committee, and Corporate Governance Committee charters and corporate governance guidelines. The committee charters are available at <http://www.harrisstratex.com/cg/committee-charters.asp>. Each of our Board committees is required to conduct an annual review of its charter and applicable guidelines.

**Board Members**

The Board is composed of nine members, of whom four are Class A directors and five are Class B directors. All directors except Messrs. Campbell and Lance have held office as directors since January 26, 2007, the date of the contribution by Harris of the Microwave Communications Division of Harris, or MCD, and our merger with Stratex Networks, Inc. or Stratex. Messrs. Campbell and Lance have held office as directors since we were incorporated as a wholly-owned subsidiary of Harris on October 5, 2006. The Board is chaired by Mr. Kissner.

<b>Name</b>	<b>Title and Class of Director</b>
Charles D. Kissner	Class A Director
William A. Hasler	Class A Director
Clifford H. Higginson	Class A Director
Edward F. Thompson	Class A Director
Guy M. Campbell	Class B Director
Eric C. Evans	Class B Director

Howard L. Lance  
Dr. Mohsen Sohi  
Dr. James C. Stoffel

Class B Director  
Class B Director  
Class B Director

As a result of the combination of MCD and Stratex, as described above, Harris owns approximately 56 percent of the outstanding shares of our common stock as of the date of this Proxy Statement. We are a controlled entity under the listing requirements of NASDAQ and, as such, exempt from NASDAQ's director independence requirements, with the exception those applicable to the Audit Committee. While we are not required to have independent directors on our Compensation and Nominating committees, the majority of our directors on these

## **Table of Contents**

committees are independent. Class A directors are nominated by the Nominating Committee of the Board, which consists solely of Class A directors and are elected by the holders of Class A and Class B common stock voting together as a class. Class B directors are elected by Harris, as the sole stockholder of Class B common stock. The number of Class A and Class B directors is defined in our restated certificate of incorporation, or charter, and our Bylaws.

The Board has determined that as of the date of this Proxy Statement, each of our current directors except Messrs. Kissner, Campbell and Lance has no material relationship with the Company and is independent within the Company's director independence standards and, in the case of the Audit Committee, in accordance with the NASDAQ Global Market listing requirements. All directors are requested to attend the annual meeting of stockholders.

## **Board and Committee Meetings and Attendance**

During fiscal year 2007, the Board held six meetings, five Audit Committee meetings, two Compensation Committee meetings and two Corporate Governance Committee meetings. All of our board members attended at least 75 percent of the total number of Board meetings and the number of meetings of the committee or committees on which the member served during the fiscal year.

## **Directors Biographies**

*Mr. Charles D. Kissner*, age 60, currently serves our Chairman of the Board. Mr. Kissner served as Chief Executive Officer of Stratex from July 1995 through May 2000, and again from October 2001 to May 2006. He was elected a director of Stratex in July 1995 and Chairman in August 1996, a position which he held through 2006. Mr. Kissner also served as Vice President and General Manager of M/A-COM, Inc., a manufacturer of radio and microwave communications products, from July 1993 to July 1995. Prior to that, he was President and CEO of Aristacom International, a communications software company, and Executive Vice President and a Director of Fujitsu Network Switching, Inc. He also held a number of executive positions at AT&T (now Alcatel-Lucent). Mr. Kissner currently serves on the board of directors of SonicWALL, Inc., a provider of Internet security solutions, and Shoretel, Inc. an IP business telephony systems company. Mr. Kissner also serves on the Advisory Board of Santa Clara University's Leavey School of Business.

*Mr. Guy M. Campbell*, age 61, serves as our President and Chief Executive Officer. Mr. Campbell served as President of MCD from August 2003 through January 2007. From 2000 through 2003, Mr. Campbell served as President and Chief Executive Officer of Andrew Corporation, a provider of communications equipment for the global telecommunications infrastructure market. Mr. Campbell has held a variety of marketing, customer engineering, and systems engineering positions with Ericsson, and served as Vice President and General Manager of Ericsson's Business Mobile Networks BV in Amsterdam. In 1994 he was named Vice President, Wireless Enterprise Networks, where he was responsible for building Ericsson's in-building wireless business unit in the United States.

*Mr. Eric C. Evans*, age 54, currently serves as Chairman of the Board of Directors, co-Chief Executive Officer, and Representative Executive Director of D&M Holdings Inc., a leading provider of premium consumer audio electronics. D&M is publicly traded on the Tokyo Stock Exchange. He is also an industrial partner in the private equity firm of Ripplewood Holdings LLC. Prior to joining Ripplewood in November 2005, Mr. Evans was President and Chief Operating Officer of Diebold, Inc., a \$2.6 billion global technology product and services company from 2003 to 2005. Prior to 2003, Mr. Evans was a group vice president in the climate technologies area of Emerson Electric Company, an industrial technology and engineering leader. At Emerson beginning in 1987, Mr. Evans served in a variety of senior executive roles for Emerson's Copeland Division including President of International, Senior Vice President, and Chief Financial Officer.

*Mr. William A. Hasler*, age 65, has served as Chairman of the Board of Directors of Solectron Corporation since 2003 and has been a member of that board since 1998. He served as a member of the Stratex board of directors from August 2001 through January 2007, and was Chairman of the Nominating and Corporate Governance Committee and a member of the Audit Committee. He was co-Chief Executive Officer and a Director of Aphton Corp, a biopharmaceutical company from 1998 to 2003. From 1991 to 1998, Mr. Hasler was Dean of both the Graduate and Undergraduate Schools of Business at the University of California, Berkeley. Prior to his deanship at UC Berkeley,



**Table of Contents**

Mr. Hasler was Vice Chairman of KPMG Peat Marwick. Mr. Hasler also serves on the boards of Ditech Communications Corp., a supplier of telecommunications equipment, Genitope Corporation, a biopharmaceutical company, Technical Olympic USA, Inc., a leading homebuilder and financial services company, and Mission West Properties Inc., a REIT engaged in the management, leasing, marketing, development and acquisition of commercial R&D properties. He is also a trustee of the Schwab Funds.

*Mr. Clifford H. Higgeson*, age 67, served as a member of the board of directors from March 2006 to January 2007 and served on the Compensation and Strategic Business Development Committees. He has more than 35 years experience in research, consulting, planning and venture investing primarily in the telecommunications industry, with an emphasis on carrier systems and equipment. In 2006 he became a partner with Walden International, a global venture capital firm focused in the four key industry sectors: communications, electronics/digital consumer, software and IT services, and semiconductors. Mr. Higgeson was a founding partner of ComVentures from 1986 to 2005, and has been a general partner with Vanguard Venture Partners since 1991. He currently serves as a member of the board of directors of BA Systems, Kotura, Hatteras Networks, Xtera Communications, World of Good, and Ygnition.

*Mr. Howard L. Lance*, age 51, is currently President and Chief Executive Officer of Harris and Chairman of its board of directors. Mr. Lance joined Harris in January 2003 as President and Chief Executive Officer and was appointed Chairman in June 2003. Prior to joining Harris, Mr. Lance was President of NCR Corporation, an information technology services provider, and Chief Operating Officer of its Retail and Financial Group from July 2001 until October 2002. Prior to joining NCR, he spent 17 years with Emerson Electric Company, an electronic products and systems company, where he held increasingly senior management positions with different divisions of the company. In 1999, Mr. Lance was named Executive Vice President with operating responsibility for Emerson's Electronics and Telecommunications businesses. Prior to 1999, Mr. Lance held sales and marketing positions with the Scott-Fetzer Company and Caterpillar, Inc. Mr. Lance is also a director of Eastman Chemical Company and serves on the Board of Trustees of the Aerospace Industries Association, the Manufacturers Alliance/MAPI, Inc., the Florida Council of 100, the United Way of Brevard County and the Florida Institute of Technology.

*Dr. James C. Stoffel*, age 61, currently serves on the Board of Directors of Harris Corporation, of which he has been a member since August 2003 and is also a member of its Finance Committee and the Management Development and Compensation Committees. Prior to his retirement, Dr. Stoffel was Senior Vice President, Chief Technical Officer, and Director of Research and Development of Eastman Kodak Company, a film and digital imaging company. He held this position from 2000 to April 2005. He joined Kodak in 1997 as Vice President, Director Electronic Imaging Products Research and Development and became Director of Research and Engineering in 1998. Prior to joining Kodak, he was with Xerox Corporation, where he began his career in 1972. His most recent position with Xerox was Vice President, Corporate Research and Technology. Dr. Stoffel is also a trustee of the George Eastman House museum. He serves on the Advisory Board for Research and Graduate Studies at the University of Notre Dame, and is a member of the advisory board of ASTRI, Hong Kong.

*Dr. Mohsen Sohi*, age 48, has served, since 2003, as President and Chief Executive Officer of Freudenberg-NOK, a privately-held joint venture partnership between Freudenberg & Co. of Germany and NOK Corp. of Japan, the world's largest producer of elastomeric seals and custom molded products for automotive and other applications. From 2001 through 2003 he served as President, Retail Store Automation Division, NCR Corporation. From 1986 through 2001 he served in various key positions at Honeywell/Allied Signal Inc., including President, Honeywell Electronic Materials, and President, Honeywell Commercial Vehicle Systems.

*Mr. Edward F. Thompson*, age 69, served as a member of the Stratex board of directors from November 2002 through January 2007, where he was Chairman of the Audit Committee, and served on the Nominating and Corporate Governance Committee. Mr. Thompson has been a consultant to Fujitsu Labs of America since 2002. From 1976 to 1994, he held various positions at Amdahl Corporation, including Chief Financial Officer and Corporate Secretary, as

well as Chairman and CEO of Amdahl Capital Corporation. Mr. Thompson also held positions at U.S. Leasing International, Inc., Computer Sciences Corporation, IBM and Lockheed Missiles and Space Company. Mr. Thompson has contributed as a director or advisor to a number of companies including Fujitsu, Ltd. and several of its subsidiaries, SonicWALL Inc., a provider of Internet security solutions ,and Shoretel, Inc., an

**Table of Contents**

IP business telephony systems company. He is on the Advisory Boards of Diamondhead Ventures, LLP, and Santa Clara University's Leavey School of Business.

**Board of Directors Committees**

Our Board of Directors maintains an Audit Committee, a Compensation Committee, a Nominating Committee, and a Corporate Governance Committee.

Copies of the charters for the Audit Committee, the Compensation Committee, the Corporate Governance Committee, and the Nominating Committee are available on our website at <http://www.harrisstratex.com/cg/committee-charters.asp>.

**Table of Contents**

The following table shows the Chairman and present members of each committee, the number of committee meetings held during fiscal year 2007, and the principal functions performed by each member.

<b>Committee</b>	<b>Number of Meetings in Fiscal 2007</b>	<b>Members</b>	<b>Functions</b>
Audit	5	Edward F. Thompson* Eric C. Evans William A. Hasler	<p>Selects our independent registered public accounting firm</p> <p>Reviews reports of our independent registered public accounting firm</p> <p>Reviews and pre-approves the scope and cost of all services, including all non-audit services, provided by the firm selected to conduct the audit</p> <p>Monitors the effectiveness of the audit process</p> <p>Reviews adequacy of financial and operating controls</p> <p>Monitors corporate compliance program</p>
Compensation	2	Dr. James C. Stoffel* Clifford H. Higgerson Dr. Mohsen Sohi	<p>Reviews our executive compensation policies and strategies</p>
Corporate Governance	2	William A. Hasler* Charles D. Kissner Howard L. Lance	<p>Oversees and evaluates our overall compensation structure and programs</p> <p>Develops and implements policies and practices relating to corporate governance</p> <p>Reviews and monitors implementation of our policies and procedures</p> <p>Assists in developing criteria for open positions on the Board of Directors</p> <p>Makes recommendations to the Board of Directors with respect to committee</p>

Nominating Committee**	0	William A. Hasler* Clifford H. Higgerson Charles D. Kissner Edward F. Thompson	assignments Reviews and recommends nominees for election of Class A directors to the Board.  Reviews and recommends policies, if needed for selection of candidates for Class A directors
------------------------	---	---	---

\* Chairman of Committee

\*\* This committee held a meeting subsequent to the end of fiscal year 2007 to review and recommend the nomination of Class A directors for re-election.

## **Table of Contents**

### **Audit Committee**

The Audit Committee is primarily responsible for approving the services performed by our independent registered public accounting firm and reviewing our accounting practices, our corporate financial reporting and system of internal accounting controls. The Audit Committee currently consists of Messrs. Evans, Hasler, and Thompson (Chairman). In February 2007, the Audit Committee adopted, and the Board approved, a charter for the Audit Committee. No material amendments to the Audit Committee Charter were made during fiscal year 2007. The Audit Committee is comprised of independent, non-employee members of our Board who are financially sophisticated under the rules of NASDAQ. The Board of Directors has determined that Mr. Thompson is the audit committee financial expert, as defined under Item 407(d)(5)(i) of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934, but that status does not impose on him duties, liabilities or obligations that are greater than the duties, liabilities or obligations otherwise imposed on him as a member of our Audit Committee and our board of directors.

### **Compensation Committee**

The Compensation Committee has the authority and responsibility to approve our overall compensation strategy, to administer our annual and long-term compensation plans and to review and make recommendations to the Board regarding executive compensation. The Compensation Committee is comprised of independent, non-employee members of the Board. The Compensation Committee also retains an independent compensation consultant who advises on matters of executive compensation. The Compensation Committee has adopted, and the Board of Directors has approved, a Compensation Committee charter.

### **Compensation Committee Interlock and Insider Participation**

The Compensation Committee currently consists of Mr. Clifford H. Higgeson, Dr. Mohsen Sohi, and Dr. James C. Stoffel (Chairman). None of these individuals is an officer or former officer of the Company. None of our executive officers served on the board of directors or compensation committees of Harris or any other entity during the past fiscal year.

### **Corporate Governance Committee**

The Corporate Governance Committee identifies best practices and recommends steps consistent with sound and current corporate governance principles. The Committee consists of Messrs. Hasler (Chairman), Kissner, and Lance. The Committee is comprised of non-employee members of the Board. The Corporate Governance Committee has adopted, and the Board has approved, a Corporate Governance Committee charter.

### **Nominating Committee**

The Nominating Committee assists the Board in selecting nominees for election to the Board as Class A directors and recommends Class A director candidates to the Board. The Nominating Committee currently consists of Messrs. Hasler (Chairman), Higgeson, Kissner and Thompson. As Class A directors, the Nominating Committee will periodically review whether a more formal policy should be adopted. There is no difference in the manner in which the Nominating Committee evaluates nominees for director based on whether the nominee is recommended by a stockholder. The Company currently does not pay a third party to identify or assist in identifying or evaluating potential nominees, although the Company may in the future utilize the services of such third parties. The Nominating Committee has adopted, and the Board has approved, a Nominating Committee charter.

In reviewing potential candidates for the Board, the Nominating Committee considers the individual's experience and background. Candidates for the position of director should exhibit proven leadership capabilities, high integrity, exercise high level responsibilities within their chosen career, and possess an ability to quickly grasp complex principles of business, finance, international transactions, and communication technologies. In general, candidates will be preferred who hold an established executive level position in business, finance, law, education, research, government, or civic activity. In making its selection, the Nominating Committee bears in mind that the foremost responsibility of a director of a corporation is to represent the interests of the stockholders as a whole.

**Table of Contents**

The Board intends to continue to evaluate candidates for election to the Board on the basis of the foregoing criteria.

The Nominating Committee has nominated, and the Board approved, Charles D. Kissner, William A. Hasler, Edward F. Thompson, and Clifford H. Higgerson to stand for election as Class A directors at the 2007 annual meeting.

**Stockholder Communications with the Board**

Stockholders who wish to communicate directly with the independent directors on the Board may do so by sending an