

MANTECH INTERNATIONAL CORP  
Form DEF 14A  
April 29, 2005

**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
- Soliciting Material under Rule 14a-12

**ManTech International Corporation**

---

(Name of Registrant as Specified In Its Charter)

---

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

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

No fee required.

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

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

---

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

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined.):

---

(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.

Edgar Filing: MANTECH INTERNATIONAL CORP - Form DEF 14A

(1) Amount Previously Paid:

---

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

---

(3) Filing Party:

---

(4) Date Filed:

---

**12015 Lee Jackson Highway**

**Fairfax, VA 22033-3300**

**April 29, 2005**

Dear Stockholder:

You are cordially invited to attend the 2005 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 Wednesday, June 8, 2005, at 11 a.m. (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 JUNE 8, 2005**

The 2005 Annual Meeting of Stockholders (the 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 Wednesday, June 8, 2005, at 11 a.m. (EDT), for the following purposes, as more fully described in the proxy statement accompanying this notice:

1. To elect eight (8) persons as directors of the Company, each to serve for a term of one (1) year, or until their respective successors shall have been duly elected and qualified;
2. To ratify the appointment of Deloitte & Touche LLP to serve as the Company's independent auditors for the fiscal year ending December 31, 2005; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Our Board of Directors has set April 15, 2005 as the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting. A complete list of stockholders eligible to vote at the Annual Meeting will be made available for examination by our stockholders, for any purpose germane to the Annual Meeting, during the ten (10) days prior to the Annual Meeting, between the hours of 9 a.m. and 5 p.m. (EDT), at the offices of the Company at 12015 Lee Jackson Highway, Fairfax, VA 22033-3300. We will also produce the stockholder list at the Annual Meeting, and you may inspect it at any time during the Annual Meeting.

All stockholders 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 accompanying proxy statement and form of proxy are first being sent or given to our stockholders on or about April 29, 2005.

By Order of the Board of Directors

George J. Pedersen

*Chairman of the Board and Chief Executive Officer*

Fairfax, Virginia

April 29, 2005

**IT IS IMPORTANT THAT YOU COMPLETE AND RETURN  
THE ENCLOSED PROXY CARD PROMPTLY**

**12015 Lee Jackson Highway**

**Fairfax, VA 22033-3300**

**PROXY STATEMENT FOR**

**2005 ANNUAL MEETING OF STOCKHOLDERS**

The Board of Directors of ManTech International Corporation (the Board) solicits the accompanying proxy to be voted at the 2005 Annual Meeting of Stockholders (the Annual Meeting) to be held on Wednesday, June 8, 2005, at 11 a.m. (EDT), at The Hyatt Fair Lakes, 12777 Fair Lakes Circle, Fairfax, VA 22033, and at any adjournments or postponements thereof. In this proxy statement, unless the context requires otherwise, when we refer to we, us, our, the Company or ManTech, we are describing ManTech International Corporation.

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 sent or given to our stockholders on or about April 29, 2005.

**PURPOSES OF THE MEETING**

At the Annual Meeting, we will ask you to consider and act upon the following matters:

1. The election of eight (8) persons as directors of the Company, each to serve for a term of one (1) year, or until their respective successors shall have been duly elected and qualified;
2. The ratification of the appointment of Deloitte & Touche LLP to serve as the Company's independent auditors for the fiscal year ending December 31, 2005; and
3. The transaction of such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

**GENERAL INFORMATION**

**Record Date and Shareholders Entitled to Vote**

## Edgar Filing: MANTECH INTERNATIONAL CORP - Form DEF 14A

*Record Date.* Our Board has fixed the close of business on April 15, 2005 as the record date for purposes of determining stockholders entitled to receive notice of and to vote at the Annual Meeting (the Record Date). Only stockholders of record as of the Record Date will be entitled to vote at the Annual Meeting.

*Our Common Stock.* We have two classes of outstanding stock: our Class A Common Stock and our Class B Common Stock. As of April 5, 2005, a total of 32,635,747 shares were outstanding: 17,570,454 shares of Class A Common Stock and 15,065,293 shares of Class B Common Stock. Holders of Class A Common Stock are entitled to one (1) 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 (10) votes for each share of Class B Common Stock they hold on the Record Date.

*Stockholder List.* We will make a complete list of stockholders eligible to vote at the Annual Meeting available for examination during the ten (10) days prior to the Annual Meeting. During such time, you may visit us at our principal executive offices during ordinary business hours to examine the stockholder list for any purpose germane to the Annual Meeting.



## 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 transaction of business at the Annual Meeting. In accordance with Delaware law, we will count abstentions and broker non-votes for the purpose of establishing a quorum.

*Broker Non-Votes.* A broker non-vote occurs when a stockholder that owns shares in street name through a nominee (usually a bank or a broker) fails to provide the nominee with voting instructions, and the nominee does not have discretionary authority to vote the shares with respect to the matter to be voted on, or when the nominee otherwise fails to vote the shares.

*How to Vote Your Shares.* Your shares cannot be voted at the Annual Meeting unless you are present either in person or by proxy. If you vote by mail and return a complete, signed and dated proxy card, your shares will be voted in accordance with your instructions. You may specify your choices by marking the appropriate box and following the other instructions on the proxy card. With respect to the election of directors, you may (i) vote **For** all of the nominees, or (ii) **Withhold Authority** with respect to some or all of nominees. On all other matters, you may (i) vote **For** a proposal, (ii) vote **Against** a proposal, or (iii) **Abstain** from voting on a proposal. If you vote by mail and you return a proxy card that is not signed, then your vote cannot be counted. If the returned proxy card is signed and dated, but you do not specify voting instructions, your shares will be voted **For** each proposal, in accordance with the Board's recommendations.

*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 Fidelity Management Trust Company, the plan trustee, how to vote those shares. Fidelity Management Trust Company will vote the shares allocable to each participant's account in accordance with the participant's instructions. If the participant does not send instructions in a proper manner, or if the instructions are not timely received, the trustee will vote the shares allocable to the participant's account **For** each proposal, in accordance with the Board's recommendations.

*Vote Required Election of Directors.* If a quorum is present, the eight (8) nominees for director who receive a plurality of the votes cast at the Annual Meeting, either in person or by proxy, will be elected. Because a plurality vote is required, broker non-votes will not affect the outcome of the vote on this matter—they are treated as neither votes for nor votes against the election of directors.

*Vote Required Ratification of Auditors.* If a quorum is present, the ratification of the appointment of Deloitte & Touche LLP to serve as our independent auditors for the fiscal year ending December 31, 2005 requires at least a majority of the votes cast at the Annual Meeting, either in person or by proxy. Abstentions will have the same effect as a vote against this proposal, because abstentions on this proposal, although treated as present and entitled to vote for purposes of determining the total pool of votable shares, do not contribute to the affirmative votes that are needed to approve the proposal. Broker non-votes, however, are excluded from the pool of votable shares, and because they will be treated as unvoted for purposes of this proposal, will have the effect of neither a vote for nor a vote against the ratification of Deloitte & Touche LLP to serve as our independent auditors.

*Other Business at the Meeting.* We are not aware of (and have not received any notice with respect to) any business to be transacted at the Annual Meeting other than as described in this proxy statement. If any other matters properly come before the Annual Meeting, George J. Pedersen and Robert A. Coleman, the named proxies, will vote the shares represented by proxies on such matters in accordance with their discretion and best judgment.

## Edgar Filing: MANTECH INTERNATIONAL CORP - Form DEF 14A

*Ownership by Insiders.* As of April 5, 2005, our directors and executive officers beneficially owned an aggregate of 15,254,701 shares of Class A Common Stock and Class B Common Stock (such number includes shares of common stock that may be issued upon exercise of outstanding options and warrants that are currently

exercisable or that may be exercised prior to June 4, 2005), which constitutes approximately 46.7% of our outstanding common stock and 89.7% of the voting control of common stock entitled to vote at the Annual Meeting.

*Tabulation of Votes.* Ms. Maureen Crystal, our Executive Director of Investor Relations, has been appointed inspector of elections for the Annual Meeting. Ms. Crystal will separately tabulate the affirmative votes, negative votes, abstentions and broker non-votes with respect to each of the proposals.

*Announcement of Voting Results.* We will announce preliminary voting results at the Annual Meeting. We will disclose the final results in the first quarterly report on Form 10-Q that we file with the Securities and Exchange Commission (SEC) after the Annual Meeting.

*Revoking Your Proxy.* If you execute a proxy pursuant to this solicitation, you may revoke it at any time prior to its exercise by doing any one of the following:

delivering written notice to our Corporate Secretary at our principal executive offices;

executing and delivering a proxy bearing a later date to our Corporate Secretary at our principal executive offices; or

voting in person at the Annual Meeting.

To be effective, our Corporate Secretary must actually receive your notice or later-dated proxy before the Annual Meeting, or the Inspector of Elections must receive it at the Annual Meeting prior to the vote. Please note, however, that your attendance at the Annual Meeting without further action on your part will not automatically revoke your proxy.

*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.

**PROPOSAL 1 ELECTION OF DIRECTORS**

**General Information**

During 2004, the Board held 14 meetings. Our Board is currently comprised of eight (8) members. Each current member's term expires at the Annual Meeting (subject to the election and qualification of his successor, or his earlier death, resignation or removal).

The Board has nominated each of the eight (8) persons named below to serve as a director until the 2006 Annual Meeting of Stockholders (or until his successor has been duly elected and qualified, or until his earlier death, resignation or removal). 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, at the time of or prior to the Annual Meeting, any nominee 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 of each nominee for election as director, and certain additional information with respect to each nominee concerning his principal occupation, other affiliations and business experience during the last five years, are set forth below.

*Nominees for Election as Director*

<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Committees</u>
George J. Pedersen	69	1968	Executive ( <i>Chair</i> )

Edgar Filing: MANTECH INTERNATIONAL CORP - Form DEF 14A

Barry G. Campbell	63	2002	Audit ( <i>Chair</i> ), Compensation, Executive, Nominations, and Retirement Plan
Walter R. Fatzinger, Jr.	62	2002	Audit, Compensation ( <i>Chair</i> ), Executive, and Retirement Plan ( <i>Chair</i> )
David E. Jeremiah	71	2004	Compensation
Richard J. Kerr	69	2002	Audit and Nominations
Stephen W. Porter	65	1991	Nominations ( <i>Chair</i> )
Ronald R. Spoechel	47	2004	None
Dr. Paul G. Stern	66	2004	Audit

*George J. Pedersen.* Mr. Pedersen has served as a director of ManTech since 1968. Mr. Pedersen serves as co-founder, Chairman of the Board of Directors and Chief Executive Officer of the Company. Mr. Pedersen was appointed Chairman of the Board of Directors in 1979, adding the position of Chief Executive Officer in 1995. Mr. Pedersen was also President of the Company from 1995 until 2004. Mr. Pedersen has served on the board of

directors of GSE Systems, Inc. since 1994 and was an executive employee of GSE from 1999 to 2002. Mr. Pedersen is chairman of the board of directors for the Institute for Scientific Research, Inc., a not-for-profit corporation that performs research and advanced development of software and related technologies, including research for NASA. Mr. Pedersen is on the board of directors of the National Defense Industrial Association, the Institute for Scientific Research, Inc., and the Association For Enterprise Integration.

*Barry G. Campbell.* Mr. Campbell has served as a Director of ManTech since 2002. From 1999 to 2001, Mr. Campbell served as a director, President and Chief Executive Officer of Allied Aerospace Industries, Inc., a Virginia-based aerospace and defense engineering firm. From 1993 to 1998, Mr. Campbell served as a Vice President of Tracor, Inc. and from 1997 to 1998 served as Chairman and Chief Executive Officer of Tracor's subsidiary, Tracor Systems Technologies, Inc.

*Walter R. Fatzinger, Jr.* Mr. Fatzinger has served as a Director of ManTech since 2002. Mr. Fatzinger joined ASB Capital Management, Inc., an asset management firm, in February 1999 and currently serves as Vice Chairman and director of the firm. Mr. Fatzinger served as Executive Vice President of Chevy Chase Bank, F.S.B., the parent of ASB Capital Management, Inc., from 1999 to 2002. Mr. Fatzinger currently serves on the board of directors of Optelecom Inc., a Nasdaq-listed company and a manufacturer of communications products that transport data, video and audio over the internet and fiber-optic cable.

*Admiral David E. Jeremiah, USN Ret.* Admiral Jeremiah has served as a Director of ManTech since 2004. From 1994 to 2004, Adm. Jeremiah served on our Advisory Board. Since 1994, Admiral Jeremiah has served as Partner and President of Technology Strategies & Alliances Corporation, a strategic advisory and investment banking firm engaged primarily in the aerospace, defense, telecommunications, and electronics industries. Admiral Jeremiah serves on the board of directors for Alliant Techsystems, Inc., a NYSE-listed company that supplies aerospace and defense products to the government, and Todd Shipyards Corporation, a NYSE-listed company engaged in shipbuilding, ship overhaul, conversion and repair in the United States. During his military career, Adm. Jeremiah earned a reputation as an authority on strategic planning, financial management and the policy implications of advanced technology. From 1990 to 1994, Adm. Jeremiah served as Vice Chairman of the Joint Chiefs of Staff for Generals Powell and Shalikashvili.

*Richard J. Kerr.* Mr. Kerr has served as a Director of ManTech since 2002. From 1994 to 2002, Mr. Kerr served as Chairman of our Advisory Board. Mr. Kerr currently is a member of the President's Commission on Intelligence Reform. From 1996 to 2001, Mr. Kerr served as President of the Security Affairs Support Association, an organization composed of government and industry members that is focused on national security policy. Prior to that, Mr. Kerr worked at the Central Intelligence Agency for 32 years, including serving as Deputy Director for Central Intelligence.

*Stephen W. Porter.* Mr. Porter has served as a Director of ManTech since 1991. Mr. Porter is a partner at the law firm of Arnold & Porter where he has practiced law since June 1993, focusing on real estate, tax and corporate law. Mr. Porter became a certified public accountant in 1961. Mr. Porter currently serves on the board of directors of the Greater Washington Board of Trade and the District of Columbia Chamber of Commerce. From 1992 to 1994, he served as a member of the Advisory Board of the Center for Strategic and International Studies, a non-partisan public policy institute.

*Ronald R. Spoehel.* Mr. Spoehel has served as a Director of ManTech since 2004. Mr. Spoehel currently serves as Executive Vice President and Chief Financial Officer of the Company. Prior to joining us in June 2003, he served as Chairman of Alpine Partners, LLC, a private investment advisory firm he founded in 2002. From 2000 to 2002, he served as director and Chief Executive Officer of Optinel Systems, Inc., an optical communications equipment company. From 1994 to 2000, Mr. Spoehel served as Vice President Corporate Development, of Harris Corporation, a NYSE-listed global communications equipment and defense electronics company. From 1990 to 1994, he served as Senior Vice President of ICF Kaiser International Inc., a NYSE-listed



company with global operations, in a variety of general management roles. Prior to 1990, he served as Vice President, Investment Banking of Lehman Brothers and as Vice President of Bank of America.

*Dr. Paul D. Stern.* Dr. Stern has served as a Director of ManTech since 2004. He is a partner and co-founder of each of Thayer Capital Partners and Arlington Capital Partners, private investment companies. He is also the chairman of Claris Capital Partners, a Virginia-based investment bank. Prior to joining Thayer he was a Special Limited Partner with Forstmann, Little & Company from 1993 through 1995. From 1989 to 1993, Dr. Stern served as the Chairman and Chief Executive Officer of Northern Telecom Limited. In 1981 Dr. Stern joined Burroughs Corporation (later Unisys) and rose to become President and Chief Operating Officer. During his tenure, from 1981 to 1987, the company tripled its sales, increased the market value of its equity from \$1.4 billion to \$5 billion, and made several strategic acquisitions which led to the formation of Unisys. He came to Burroughs-Unisys from Rockwell International Corporation, where he served as Corporate Vice President, and President, Commercial Electronics Operations. Before joining Rockwell, Dr. Stern served as the Chairman and Chief Executive Officer of Braun AG in Germany, and held numerous senior management positions with IBM. He currently serves on the board of directors of Whirlpool Corporation, a NYSE-listed manufacturer and marketer of major home appliances, and Dow Chemical Company, a NYSE-listed provider of chemical, plastic and agricultural products and services.

**The Board recommends that you vote FOR the election of each of the director nominees listed above. All proxies executed and returned will be voted FOR all of the director nominees unless the proxy specifies otherwise.**

## Corporate Governance

### *Independence of Directors*

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

The Board has conducted an evaluation of director independence, based on the marketplace rules and listing standards of The Nasdaq Stock Market, Inc. (Nasdaq) and the applicable rules and regulations of the Securities and Exchange Commission (SEC). In connection with this review, the Board evaluated any banking, commercial, charitable, familial and other relationships of each director, including those relationships that are described under the caption *Certain Relationships and Related Transactions* in this proxy statement, in order to determine that our independent directors do not have relationships that could impair their independence. As a result of this evaluation, the Board has affirmatively determined that each of Messrs. Campbell, Jeremiah, Fatzinger, Kerr, Porter and Stern is independent within the meaning of the Nasdaq listing standards and SEC rules and regulation. The Board determined that Mr. Pedersen, our Chairman and Chief Executive Officer, and Mr. Spoehel, our Executive Vice President and Chief Financial Officer, are not independent.

Additionally, in connection with its evaluation, the Board has determined that each member of our Audit Committee and our Compensation Committee is independent, as director independence is specifically defined with respect to Audit Committee members and Compensation Committee members under the Nasdaq listing standards and applicable SEC rules and regulations, as further explained below.

### *Communication with Directors*



## Edgar Filing: MANTECH INTERNATIONAL CORP - Form DEF 14A

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 member, 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: Jo-An Free, 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 member, 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 2004, all but one (1) of our directors attended our annual meeting of stockholders.

#### ***Code of Ethics***

In November 2004, we revised our *Standards of Ethics and Business Conduct*, which sets forth the policies comprising our code of conduct. Our policies 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 on our website: [www.mantech.com](http://www.mantech.com). 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.

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

During 2004, each of our 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 member of the committee, as applicable).

#### ***Committees of the Board of Directors***

The Board currently has a standing Audit Committee, Compensation Committee, Nominations Committee, Retirement Plan Committee, and Executive Committee. The Board may establish other committees from time to time.

#### ***Audit Committee***

We have a separately designated standing Audit Committee that was established in accordance with applicable provisions of the Securities Exchange Act of 1934, as amended (Exchange Act). All of our Audit Committee members have a working familiarity with basic finance and accounting practices. During 2004, the Audit Committee held 14 meetings. The Audit Committee is currently comprised of four (4) directors:

## Edgar Filing: MANTECH INTERNATIONAL CORP - Form DEF 14A

Messrs. Campbell, Fatzinger, Kerr and Stern. Mr. Campbell serves as Chairman of the Audit Committee.

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. For 2005, the Board has determined that each member of the Audit Committee is independent, within the meaning of the Nasdaq listing standards and applicable SEC rules and regulations.

The Board has also determined that the Company has at least one (1) audit committee financial expert serving on the Audit Committee. The Board has identified Mr. Campbell as a member of the Audit Committee

who (i) qualifies as an audit committee financial expert under applicable SEC rules and regulations governing the composition of the Audit Committee, and (ii) satisfies the financial sophistication requirement of the Nasdaq listing standards. Mr. Campbell is independent from management, as such term is used in Item 7(d)(3)(iv) of Schedule 14A under the Exchange Act.

The primary function of the Audit Committee is to oversee the integrity of our financial statements, our accounting and financial reporting processes, and audits of our financial statements. The Audit Committee further assists the Board in discharging its oversight responsibilities relating to: (i) our compliance with legal and regulatory requirements; (ii) our auditor's qualifications and independence; (iii) the performance of our independent auditor; (iv) the performance of our internal audit function; and (v) our system of disclosure controls and procedures, internal control over financial reporting, and compliance with our ethical standards.

Among its authority and responsibilities, the Audit Committee:

has the sole authority to appoint, replace, compensate, and oversee our independent auditor;

pre-approves the fees and other terms of all engagements for audit and non-audit services provided by the independent auditor;

reviews (and, as applicable, recommends to the Board approval of) financial, MD&A and other disclosure in our periodic filings and quarterly earnings releases;

reviews our internal control systems, audit functions, financial reporting processes and methods of monitoring compliance with regulatory matters;

provides a direct and open avenue of communication among the independent auditor, management, internal auditing department and the Board;

reviews significant accounting and reporting issues;

makes reports and recommendations to the Board and our stockholders, as necessary under SEC rules, or as otherwise within the scope of its functions; and

oversees and, where appropriate, reports to the Board on the Audit Committee's review of, and response to, any government audit, inquiry or investigation, as the Audit Committee determines to be appropriate.

A more detailed discussion of the Audit Committee's composition, purpose, objectives, authority and responsibilities can be found in our Fourth Amended and Restated Audit Committee Charter, adopted by the Board on April 15, 2005 (the Audit Committee Charter). A copy of the Audit Committee Charter is attached to this proxy statement as **Appendix A**. We have also made the Audit Committee Charter available on the Corporate Governance page on our website: [www.mantech.com](http://www.mantech.com).

#### *Compensation Committee*

## Edgar Filing: MANTECH INTERNATIONAL CORP - Form DEF 14A

We have a standing Compensation Committee, which is currently comprised of three (3) directors: Messrs. Fatzinger, Campbell and Jeremiah. Mr. Fatzinger serves as chairman of the Compensation Committee. 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 2004, the Compensation Committee held five (5) meetings.

The primary function of the Compensation Committee is to review, determine and approve, on behalf of the Board, (i) all forms of compensation and remuneration provided to the Company's executive officers and directors, and (ii) stock and equity compensation provided to all employees.

Among others, the Compensation Committee's responsibilities include:

determining the compensation to be paid to the CEO and our other executive officers;

where appropriate, reviewing and approving goals related to executive compensation packages, establishing procedures for evaluating executive performance, annually evaluating executive performance, and annually reviewing and setting executive base salaries and other forms of executive compensation;

evaluating the total compensation paid to our executive officers;

making recommendations to the Board with respect to director compensation; and

making grants under, interpreting, overseeing and otherwise administering the Company's Management Incentive Plan.

A more detailed discussion of the Compensation Committee's composition, purpose, authority and responsibilities can be found in our Amended and Restated Compensation Committee Charter, adopted by the Board on February 22, 2005 (the Compensation Committee Charter). A copy of the Compensation Committee Charter is attached to this Proxy Statement as **Appendix B**. We have also made the Compensation Committee Charter available on the Corporate Governance page on our website: [www.mantech.com](http://www.mantech.com).

The Compensation Committee has also adopted, and will annually review and assess the adequacy of, a compensation philosophy, which articulates the core principles of the compensation programs for our executives. This compensation philosophy is further described in the Report of the Compensation Committee, included in this proxy statement.

#### *Nominations Committee*

We have a standing Nominations Committee, which is currently comprised of three (3) directors: Messrs. Porter, Campbell and Kerr. Mr. Porter serves as chairman of the Nominations Committee. All members of the Nominations Committee are independent directors, within the meaning of applicable Nasdaq listing standards and SEC rules and regulations. During 2004, the Nominations Committee held five (5) meetings.

The primary function of the Nominations Committee is 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.

Among others, the Nominations Committee's responsibilities include:

identifying new director candidates, consistent with criteria approved by the Board;

reviewing and evaluating any director nominations submitted by our stockholders; and

evaluating incumbent directors for re-election to the Board.

## Edgar Filing: MANTECH INTERNATIONAL CORP - Form DEF 14A

A more detailed discussion of the Nominations Committee's composition, purpose, authority and responsibilities can be found in our Nominations Committee Charter, approved by the Board on June 23, 2004 (the Nominations Committee Charter). A copy of the Nominations Committee Charter is attached to this proxy statement as **Appendix C**. We have also made the Nominations Committee Charter available on the Corporate Governance page on our website: [www.mantech.com](http://www.mantech.com).

The Nominations Committee has adopted a policy regarding the consideration of director candidates recommended by our stockholders (the Nominations Policy). The Nominations Policy describes the circumstances pursuant to which the Nominations 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 Board Committees page on our website: [www.mantech.com](http://www.mantech.com).

Generally, the Nominations Committee will consider candidates recommended by stockholders who beneficially own at least 1% of our outstanding stock at the time of recommendation (a Qualifying Stockholder). Qualifying Stockholders wishing to recommend candidates to the Nominations Committee may do so by

submitting a completed *Stockholder Recommendation of Candidate for Director Form* (Recommendation Form), which is available for download via hyperlink on the Nominations Policy on our website.

The Nominations Committee generally employs the same evaluation process for all potential director nominees; however, with respect to candidates recommended by Qualifying Stockholders, the Nominations Committee will seek and consider information concerning the relationship between the candidate and the Qualifying Stockholder to ensure that the candidate can effectively represent the interests of all stockholders. The Nominations Committee evaluates all potential director nominees against an established set of qualifications, requirements and other desired criteria that have been approved by the Board. A standard vetting process, which includes interviews of the candidate and/or the candidate's references, a conflicts check, an evaluation of potential board committee service, and an analysis of the candidate's skills in the context of the current composition of the Board, is followed irrespective of the source of the candidate.

In evaluating new director candidates, the Nominations Committee may consider the integrity, character, judgment and skill of the candidate, as well as the interplay of the candidate's experience and skills with those of the other Board members. Specifically, the Nominations Committee may consider some or all of the following factors: the candidate's familiarity with financial and accounting practices; demonstrated understanding of the fiduciary responsibilities of a director of a public company; industry knowledge; understanding of budgetary and other federal government processes; prior senior management experience; and ability and willingness to devote adequate time to Board and/or committee activities.

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 this proxy statement. The Nominations Committee will only evaluate a candidate if he or she has indicated a willingness to serve as a director and cooperates with the evaluation process.

The Nominations 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 believes it is in the best interest of ManTech to use the services of consultants or a search firm to assist with the identification and selection process, it will do so.

#### ***Retirement Plan Committee***

We currently have a standing Retirement Plan Committee, which was formed for the purpose of overseeing the administration of our 401(k) plan. Currently, the Retirement Plan Committee is comprised of two (2) directors: Messrs. Fatzinger and Campbell. Mr. Fatzinger serves as chairman of the Retirement Plan Committee. In 2004, the Retirement Plan Committee held 15 meetings.

#### ***Executive Committee***

In September 2004, the Board established an Executive Committee for the purpose of assisting 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. Currently, the Executive Committee is comprised of three (3) directors: Messrs. Pedersen, Campbell and Fatzinger. In 2004, no meetings of the Executive Committee were held.



**Compensation of Directors**

*Cash Compensation*

We do not separately compensate any director who is also our employee, either for his service as a director or his service as a member of any committee of the Board of Directors. Members of the Board and its committees are reimbursed for expenses incurred in connection with those attending meetings.

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

	Annual Retainer	Additional	Meeting Fee
	(Director/Member)	Annual Retainer (Chairperson)	
Board of Directors	\$ 25,000	N/A(1)	\$1,500 for each meeting in excess of 6 per year
Audit Committee	\$ 10,000	\$ 20,000	\$1,500 for each meeting in excess of 4 per year
Compensation Committee	\$ 5,000	\$ 5,000	\$1,500 for each meeting in excess of 4 per year
Nominations Committee	\$ 5,000	\$ 5,000	\$1,500 for each meeting in excess of 4 per year
Retirement Plan Committee	\$ 5,000	\$ 5,000	\$1,500 for each meeting in excess of 4 per year
Executive Committee	\$ 10,000	N/A(1)	\$1,500 for each meeting in excess of 4 per year

(1) Not applicable because the chairperson is George Pedersen, an employee director. The Company's policy is to not compensate its employee directors for their Board service.

#### *Grants of Non-Qualified Stock Options*

We grant non-qualified stock options to our non-employee directors to purchase shares of our common stock on an annual basis. We also issue one-time grants of non-qualified stock options to our non-employee directors in connection with their appointment to the Board. In both cases, we set the exercise price for the options at the fair market value of our common stock at the time of grant. The options vest ratably over 3 years.

In 2004, we issued the following grants of stock options to our non-employee Board members:

Director	Grant Date	Shares (#)	Exercise Price
B. Campbell	10/25/2004	5,000	\$ 19.82
W. Fatzinger	10/25/2004	5,000	\$ 19.82
R. Kerr	10/25/2004	5,000	\$ 19.82
S. Porter	10/25/2004	5,000	\$ 19.82
D. Jeremiah	11/22/2004	5,000	\$ 24.86
P. Stern	11/22/2004	5,000	\$ 24.86

#### *Other Compensation*

No member of the Board was paid any compensation for his service as a director other than the standard compensation arrangements for directors described above. However, please refer to the disclosure under the caption *Certain Relationships and Related Transactions* elsewhere

in this proxy statement for a description of certain relationships between us and affiliates of certain of our non-employee directors.

**REPORT OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

The Audit Committee currently consists of four members, each of whom is an independent director as determined by our Board of Directors, based on the current listing standards of the Nasdaq Stock Market, Inc. and the rules and regulations of the SEC. In addition, the Board of Directors determined that Mr. Barry Campbell, who served as the chairperson of the Audit Committee during 2004, meets the qualifications of an audit committee financial expert, as defined by SEC rules.

A brief description of the responsibilities of the Audit Committee is set forth above, under the caption *Committees of the Board of Directors Audit Committee*. The Audit Committee acts pursuant to a charter adopted by the Board of Directors. The Audit Committee reviews and reassesses the adequacy of the charter on a regular basis, and at least annually. If appropriate, the Audit Committee recommends changes to the Board for its approval. The Audit Committee charter was revised, and the Fourth Amended and Restated Charter of the Audit Committee was adopted by the Board, in April 2005, and a copy of the charter is included as **Appendix A** to this proxy statement.

As a committee, we reviewed and discussed the Company's audited consolidated financial statements for the year ended December 31, 2004 with both management and Deloitte & Touche LLP, the Company's independent auditors. Management has primary responsibility for the financial statements. Deloitte & Touche LLP is responsible for expressing an opinion on the conformity of the financial statements with generally accepted accounting principles.

The Audit Committee discussed with Deloitte & Touche LLP those matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as currently in effect.

Deloitte & Touche LLP provided us with the written disclosures and the letter required by the Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as currently in effect. The Audit Committee discussed with Deloitte & Touche LLP the auditor's independence from the Company and its management, and the details of the disclosure that Deloitte & Touche LLP had provided to us pursuant to Independence Standards Board Standard No. 1.

Finally, we considered the nature and scope of the audit and non-audit services provided by Deloitte & Touche LLP to the Company, and concluded that Deloitte & Touche LLP's provision of these services to the Company is compatible with Deloitte & Touche LLP's independence from the Company and its management.

Based upon the reviews and discussions referred to above, we recommended to the Board of Directors, and the Board of Directors approved, the inclusion of the audited financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2004, for filing with the SEC.

Dated as of April 15, 2005

THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Barry G. Campbell, *Chairman*

Walter R. Fatzinger, Jr.

Richard J. Kerr

Paul G. Stern

**REPORT OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS**

The Compensation Committee of the Board of Directors currently consists of 3 members, Walter R. Fatzinger, Jr., Barry G. Campbell and David E. Jeremiah, each of whom is independent. The Compensation Committee is responsible for (i) overseeing the determination, implementation and administration of the remuneration (including compensation, benefits, bonuses and perquisites) of all directors and executive officers of the Company, (ii) reviewing and approving all equity compensation to be paid to other Company employees, and (iii) administering the Company's stock-based compensation plans.

For compensation decisions that were made in 2004, which established executive base salaries for 2004, the terms of the ManTech International 2004 Incentive Compensation Plan (the 2004 Incentive Plan) for executive officers, and stock grants to executive officers, the members of the Compensation Committee included Messrs. Fatzinger and Campbell, but did not include Mr. Jeremiah. Mr. Jeremiah became a member of the Compensation Committee on February 1, 2005. Compensation decisions relating to 2004 that occurred after that date included the determination of the amounts payable to executive officers under the terms of the 2004 Incentive Plan. Messrs. Fatzinger and Campbell were members of the Compensation Committee during the entire period covered by this report.

**Executive Compensation Philosophy**

ManTech operates in a very competitive, dynamic and specialized industry. We believe that in order to compete in this industry, the Company must attract and retain highly-qualified and able executives who often possess special talents, credentials and experience. Our unique business environment also requires us to obtain the services of employees with the highest security clearances issued in the United States, and the competition for the services of these persons is intense.

Our compensation philosophy seeks to support our key objective of creating value for, and promoting the interests of, our stockholders. In order to align the interests of our executives with those of our stockholders, we believe that our executive compensation programs must provide our executive officers with competitive compensation opportunities, based upon both their contribution to the development and financial success of the Company and their personal performance. Specifically, we believe that our executive compensation programs should

Reflect the competitive marketplace, so the Company is able to attract, retain and motivate talented executives;

Be tied in part to financial performance, so that our executives are held accountable through their compensation for the performance of the Company and/or the business units for which they are responsible;

Be tied in part to the executive's individual performance to encourage and reflect individual contributions to the Company's performance; and

Be tied in part to the Company's long-term objectives,