NEW JERSEY RESOURCES CORP
Form 8-K
December 17, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 16, 2009 (December 11, 2009)

NEW JERSEY RESOURCES CORPORATION
(Exact name of registrant as specified in its charter)

New Jersey (State or other jurisdiction of incorporation)	001-8359 (Commission File Number)	22-2376465 (IRS Employer Identification No.)

1415 Wyckoff Road Wall, New Jersey (Address of principal executive offices)	07719 (Zip Code)

(732) 938-1480
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On December 11, 2009, New Jersey Natural Gas Company (the "Company"), as borrower, entered into a $200,000,000, three-year, revolving, unsecured credit facility (the "New Credit Facility") with the several banks and other financial institutions parties thereto, and PNC Bank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent and U.S. Bank National Association and Toronto Dominion (New York) LLC, as Documentation Agents. PNC Capital Markets LLC was the Lead Arranger of the New Credit Facility. The New Credit Facility refinances an earlier credit facility that provided for a $250,000,000 revolving credit facility that was scheduled to expire on December 16, 2009 (the "Prior Credit Facility"), but has now been terminated. The New Credit Facility is scheduled to terminate on December 11, 2012.

Borrowings under the New Credit Facility bear interest, at the Company's option at (i) at a rate per annum equal to the greater of (A) PNC Bank N.A.'s prime rate, (B) the Federal Funds Open Rate, as quoted on stated electronic sources that display such rate, plus 0.50%, and (C) the Daily Euro-Rate (as defined in the agreement) plus 1.00%, plus in the case of (A), (B), and (C), an applicable margin of 1.00% to 2.00%, depending upon the credit rating of the Company from Standard & Poor's and Moody's Investor Services, Inc., or a successor nationally recognized statistical rating agency ("Credit Rating"), or (ii) a rate per annum equal to the Euro-Rate plus an applicable margin of 2.00% to 3.00%, depending on the Credit Rating. The Commitment Fee Rate for the New Credit Facility may range from 0.35% to 0.50%, depending upon the Credit Rating. As of the closing of the New Credit Facility, the Commitment Fee Rate was 0.35%, the applicable margin for loans described in (i) above was 1.00% and the applicable margin for loans described in (ii) above was 2.00%. The New Credit Facility permits the borrowing of revolving loans and swingline loans, as well as the issuance of letters of credit. The New Credit Facility also includes an accordion feature, which would allow us, in the absence of a default or event of default and subject to certain conditions and deliveries, to increase from time to time, with the existing or new lenders, the revolving credit commitments under the New Credit Facility in minimum $10,000,000 increments up to a maximum of $50,000,000.

The New Credit Facility contains representations, warranties, covenants, conditions and defaults customary for transactions of this type, including but not limited to: (a) a maximum leverage ratio (consolidated total indebtedness to consolidated total capitalization as defined in the New Credit Facility), of not more than 0.65 to 1.00 at any time; (b) a minimum interest coverage ratio (consolidated income from operations to consolidated interest expense as defined in the New Credit Facility), of not less than 2.50 to 1.00, (c) limitations on liens and incurrence of debt, investments, and mergers and asset dispositions, and the use of the proceeds of the New Credit Facility; (d) requirements to preserve corporate existence, and comply with laws; and (e) default provisions, including defaults for non-payment, defaults for breach of representations and warranties, defaults for insolvency, defaults for non-performance of covenants, cross-defaults and guarantor defaults. The occurrence of an event of default under the New Credit Facility could result in all loans and other obligations of the Company becoming immediately due and payable and the New Credit Facility being terminated.

This description of the New Credit Facility is not complete and is qualified in its entirety by reference to the entire New Credit Facility, a copy of which is being filed as Exhibit 4.1 to this Form 8-K, and which is incorporated by reference herein. The Company and its affiliates regularly engage the banks listed above to provide other banking services. All of these engagements are negotiated at arm's length.

Item 1.02 Termination of a Material Definitive Agreement.

The information required by this item is included in Item 1.01 and incorporated herein by reference.

Item 2.03.

Creation of a Direct Financial Obligation or an Obligation under an
Off-Balance Sheet Arrangement of a Registrant.

The information required by this item is included in Item 1.01 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a)	Financial Statements of Businesses Acquired.	Not applicable.
(b)	Pro Forma Financial Information.	Not applicable.
(c)	Exhibits	Not applicable.

Exhibit Number	Description
4.1	Credit Agreement dated as of December 11, 2009 by and among New Jersey Natural Gas Company, the Lenders party thereto, PNC Bank, National Association, as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and U.S. Bank National Association and Toronto Dominion (New York) LLC, as Documentation Agents.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEW JERSEY RESOURCES CORPORATION

Date: December 17, 2009

By: /s/ Glenn C. Lockwood
Glenn C. Lockwood
Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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educe the amount that will be paid.

The Bonus column is used to report any amounts of annual cash incentive payments that are discretionary payments not made pursuant to pre-established goals.

In the first quarter of each calendar year performance period, specific performance objectives and goals are established for ManTech and the various business units. The performance objectives of the business units are formulated to support the goals and objectives for ManTech as a whole. The Compensation Committee approves all of the performance objectives used in the non-discretionary part of our annual incentive program. Our executives bonuses are based on achieving these goals and objectives. The Compensation Committee measures each executive s achievement of the goals and objectives by reference to pre-established performance factors, which may include any three to five of the following factors:

Revenue Revenue is the principal means by which we measure our overall growth, which is an important factor at this point in the life of ManTech. Because of profit margin limitations that apply to government contracts, increasing our revenue is the principal method by which we can increase our profits. Increases in revenue also reflect our business strategy, which emphasizes an increase in absolute size, which we believe is an important element in remaining competitive in a consolidating industry. Revenue is both a ManTech-wide measure and a business unit measure.

Accounts Receivable Days Sales Outstanding (DSO) DSO is an important measure that drives our cash flow. DSO targets are reflected in the annual ManTech goals because of the importance of cash collection to our business. DSO is both a ManTech-wide measure and a business unit measure.

Bookings Awards of new contracts and renewal of existing contracts are an important measure of our ability to increase revenues. Bookings targets are reflected in the annual ManTech goals because of their importance for meeting present and future revenue targets. Bookings are adjusted for indefinite delivery, indefinite quantity contracts, which are recognized at a percentage of the potential contract amount. Bookings is both a ManTech-wide measure and a business unit measure.

EBIT Percentage Earnings before interest and taxes (EBIT) is the principal method by which we measure our profitability and monitor our ability to achieve returns for our stockholders. For 2006, we adjusted the calculation of EBIT, as it was applied to our executive compensation program, to exclude FAS 123R expenses, in order to conform to the calculation for years prior to our implementation of FAS 123R in 2006. EBIT targets are reflected in the annual ManTech goals because of the importance of achieving earnings targets and remaining competitive in a highly-competitive and consolidating industry. EBIT percentage is both a ManTech-wide measure and a business unit measure.

Corporate Cost Controls Corporate cost controls are an important measure of our ability to control expenses as a percentage of revenue. The careful management of these indirect expenses, including general and administrative expenses, is an important aspect of our ability to achieve our profit goals. Corporate cost controls is a ManTech-wide measure.

Staff Retention Percentage Staff retention percentage measures the responsible executive s ability to reduce voluntary turnover in a business unit s work force in the performance period (normally one year). Because we are in a highly-competitive environment for skilled employees, and because our ability to grow and achieve desired levels of profitability depends on our ability to adequately staff our business opportunities, our ability to retain our employees is a key element to meeting all of our business goals. The staff retention percentage is a business unit measure.

Forecast Accuracy Forecast accuracy for EBIT and/or revenue is measured on a rolling quarter basis. This quarterly metric is a yes/no variable that answers the question did the actual EBIT and/or revenue fall within target limits for the quarter. For example, given a stated target revenue range of +/- 15%, and actual quarterly revenue of 17% above or below the forecast, the executive would receive a no rating for that quarter. Therefore, each executive with P&L responsibility could receive a 0%, 25%, 50%, 75% or 100% result for a fiscal year based on the four quarters. 100% would mean that each quarter s EBIT or revenue was within 15% of the forecasted amount. Forecast accuracy is a business unit measure for our business unit presidents and a ManTech-wide measure for our Chief Financial Officer.

Award Rate on Re-competitions A substantial portion of our government contract business is awarded on a re-competition basis after the initial award. Winning re-competitions is important to sustaining long-term relationships with customers. The ability to win re-competitions is also important because it typically requires fewer resources to win a re-competition than other contracts. This weighted metric is calculated by the size-weighted percentage of re-competitions won by an executive s business unit and measured against targets set in the beginning of the business year. The award rate on re-competitions is a business unit measure.

We make our incentive payments annually, in the form of cash, when earned. We have chosen to make annual incentive compensation payments in the form of cash rather than stock, because this practice is customary in our industry. In general, cash compensation is a recoverable cost under the terms of our government contracts, while stock compensation is not recoverable. We also prefer to pay our annual incentives in cash rather than stock as a means to limit the shareholder dilution resulting from executive compensation. The annual cash incentive payment as a percentage of an executive s total potential cash compensation generally increases with the level and responsibilities of the executive.

The Compensation Committee reserves the ability, in appropriate circumstances, to reduce the amount of the non-discretionary portion of an executive s annual cash incentive that would otherwise be payable upon the executive s achievement of the pre-established goals. In the past, the Compensation Committee has occasionally used this discretion in appropriate circumstances.

Additionally, the Compensation Committee has the authority to grant discretionary bonuses unrelated to the achievement of the non-discretionary objections. In the past, these bonuses have been granted in certain circumstances to reward outstanding performance of individual executives or business units that may not have been adequately factored into the non-discretionary portion of the executive s annual incentive program.

Beginning with the 2007 fiscal year, the Compensation Committee has determined that discretionary payments will become a regular part of the Company s annual executive incentive compensation program. The Company s 2007 Incentive Compensation Plan will continue to utilize pre-established, non-discretionary formula to determine the executive s target cash incentive. The pre-established formula will be based on the factors of revenue, DSO, bookings and EBIT % at the ManTech-wide level. The formula will also use revenue growth percentage, DSO and bookings at the business unit level. However, the Compensation Committee will also consider whether any discretionary bonus is warranted. In making that determination, the Compensation Committee may consider any factors described above, as well as any other subjective factors that the Compensation Committee deems appropriate in its sole discretion, including recommendations of our CEO and our President.

Stock Options

We provide long-term incentives to our executives through grants of stock options. The grants are designed to align the interests of our executive officers with those of our stockholders and provide each such officer with a significant incentive to manage ManTech from the perspective of an owner with an equity stake in ManTech. Each option generally becomes exercisable in annual installments over a three-year period, contingent upon the executive s continued relationship with ManTech. Accordingly, the option grant will provide a return to the executive only if he or she remains with ManTech during the vesting period, and then only if the market price of the underlying shares appreciates. For each fiscal year, management recommends to the Compensation Committee a pool of shares to be used for the grant of options to employees. The recommendation for the size of the pool is based on the number of shares available under our Management Incentive Plan (including its evergreen provision), the expense that would be incurred from the grants, and the overall performance of ManTech for the prior fiscal year. Management also recommends an allocation of the options among the corporate officers, division presidents and other key employees. Within these pools, management then recommends a number of shares for each individual. The Compensation Committee considers these recommendations when it makes a decision on grants of options to individual employees.

Over time, the option grants for executives are intended to be at a level to create a meaningful opportunity for value derived from stock ownership. The amount of an annual option grant to an executive is largely based on the executive officer s personal performance and the performance of any business unit for which the executive is responsible in the last fiscal year. The principal factors of business unit performance that are considered in this regard are revenue, revenue growth, EBIT and EBIT growth. The amount of the grant may also depend on the officer s current position with ManTech, the base salary associated with that position, the size of comparable awards made to individuals in similar positions within the industry, the individual s potential for increased responsibility and promotion over the option term. The Compensation Committee also may infrequently consider the number of unvested options held by the executive officer in order to maintain an appropriate level of equity incentive for that individual. However, the Compensation Committee does not adhere to any specific guidelines as to the relative stock or option holdings of our executive officers.

For prior years and for the 2006 option grants, the annual grants were generally made in the first quarter of the year at a previously scheduled meeting. Generally, grants for new hires were made when the new employee began his or her employment with us, and grants made in connection with the promotion of employees were made as the event occurred. The exercise price of the options was set at the closing price of our stock on the Nasdaq Stock Market on the day immediately prior to the date of grant.

Effective January 1, 2007, in recognition of the specific legal, tax and accounting issues presented by granting stock options, the Compensation Committee adopted a written policy to be followed in connection with all issuances of stock options by ManTech. We have posted a copy of the policy on the Corporate Governance page on our Website. Under the policy, no option will have a grant date that precedes the date the grant is approved by the appropriate authority under the policy. Each option will have an exercise price equal to the closing price of our stock on Nasdaq on the grant date (or, if our stock does not trade on Nasdaq on the grant date, then the closing price of our stock on the previous trading day). Each option will vest in three equal annual installments, beginning on the first anniversary of the date of grant. Each option will expire five years from the date of grant.

Under the policy, we will only have four grant dates each year. The Compensation Committee will approve the annual grant of options to our executive officers and other employees on the date that the Compensation Committee meets to approve the compensation to be paid to our executive officers for that year (with such meeting to occur in any event prior to March 15 for that year). These annual grants will be effective on March 15 of that year. Option grants to newly-hired employees and other employees outside of the annual grant will be made effective on the third business day following the date that we next release our quarterly financial results. For grants approved on dates after we release our third quarter results, such grants will be made effective on March 15 of the next year (on the same day as the annual grant). For example, if our third quarter results are released on November 1, any grant approved after November 1 would be made effective (for both pricing and vesting purposes) on the following March 15.

All grants made to our executive officers are approved by the Compensation Committee. Under the policy, the Compensation Committee has delegated authority to our CEO and our President to determine stock option grants to our non-executive officers and other employees. The CEO and President may not approve an option in excess of 20,000 shares under this delegation of authority. The grants approved by the CEO and President must have the same terms and conditions as described above. All of these grants are subsequently reported to and ratified by the Compensation Committee.

Our shareholder-approved Management Incentive Plan, as restated in 2006, also allows the grant of restricted stock. To date, the Company has not granted any restricted stock; however, the Compensation Committee has considered the grant of restricted stock as a component of our long-term incentive program and may use restricted stock in the future.

Employee Benefits

Our officers participate in the same employee benefit programs as other employees. These programs include tax-qualified retirement plans, health insurance, life insurance, disability insurance, travel accident insurance, and company-paid short term disability. We have two tax-qualified retirement plans: a 401(k) plan and an employee stock ownership plan (ESOP). To our 401(k) plan, we make a matching contribution based on employee salary deferrals. The amount of the matching contribution depends on the percentage of their own compensation, up to IRS limits, that each executive or other employee chooses to defer in the 401(k) plan. To our ESOP, we make a contribution that is a uniform percentage of compensation for all eligible employees. Mr. Pedersen is not eligible to participate in the ESOP and does not participate in the 401(k) plan. The combined amount of our 401(k) matching contributions and ESOP contribution for the other named executive officers (as detailed in the All Other Compensation column on the Summary Compensation Table) ranged from $7,883 to $13,200 for 2006.

During 2006, we maintained a supplemental executive retirement plan (SERP) for Mr. Pedersen, originally established in 1987, to which we made a contribution of $50,000 in 2006. None of our other current executives have participated in a supplemental retirement plan. At his election, Mr. Pedersen received a complete distribution of his benefits under the SERP in 2007. We then terminated the SERP in 2007 and will not make any further contributions. Our officers are also eligible to make salary deferrals into our Executive Supplemental Savings Plan. We do not make a contribution to the Executive Supplemental Savings Plan for executives.

Perquisites

Our executive perquisites generally involve minimal expenses. The perquisites our individual executives receive are primarily based upon historical practice. For the sake of continuity, we believe it is often best to leave certain low-cost perquisites in place when we acquire a business unit. The perquisites provided to our executives other than Mr. Pedersen typically consist of life insurance, automobile expenses, a club membership, occasional use of sporting event tickets, and typical benefits associated with an executive office (such as snacks and beverages). Our total incremental cost for perquisites for each executive officer other than Mr. Pedersen was less than $10,000 in 2006.

Under the terms of his Retention Agreement, Mr. Pedersen is entitled to receive contributions to qualified and non-qualified retirement plans, insurance programs and perquisites on the same terms that they have been provided in previous years. These perquisites include items such as the lease of an executive type of vehicle for business and personal use, the portion of two employees time spent on non-corporate matters on behalf of Mr. Pedersen (including attending to chauffeur/valet services and limited tax-planning assistance (which, in 2006, primarily related to the structuring of Mr. Pedersen s SERP distribution), as well as other assistance as required from time to time), club memberships and reimbursement of the costs of certain cell phone and home telephone/fax services.

Determining the Amount of Each Type of Compensation

The compensation setting process is a collaborative process involving our CEO, our President and the Compensation Committee. Management receives a copy of certain market survey information that is prepared for the Compensation Committee by its compensation consultant, Ernst & Young LLP. The market survey covers a peer group of companies that is identified by management and approved by the Compensation Committee. For 2006, the peer group for compensation purposes consisted of 12 companies: Anteon, BearingPoint, CACI, ChoicePoint, CIBER, Dynamics Research Corp., Keane, Maximus, MTC Technologies, Perot Systems, SI International and SRA International. Because we compete for executive talent in a broader market than just our specific industry, the compensation peer group is larger than the peer group of companies used for our performance graph that appears in our Annual Report.

After receiving the survey information, management then determines the general recommendations that it would propose to make to the Compensation Committee and reviews these tentative proposals with Ernst & Young LLP. After considering any input from the compensation consultant, management makes its compensation proposals to the Compensation Committee for the compensation of each executive officer other than the CEO. The Compensation Committee takes these proposals into account in making its decisions for these officers. The Compensation Committee determines the compensation of the CEO based on the terms of his Retention Agreement (which is described in Note 3 to the Summary Compensation Table on page 23) and the Compensation Committee s evaluation of the same factors applied to the other executive officers.

Beginning with the 2006 fiscal year, the Compensation Committee has engaged the services of Ernst & Young LLP as a compensation consultant to assist it in the compensation setting process. The scope and nature of the consultant s engagement is described in this proxy statement under the heading *Corporate Governance Compensation Committee*.

Base salary is set individually for each executive officer and is not targeted at a particular percentile of the compensation peer group for any particular executive. Annual cash incentives are intended to be a significant portion of total cash compensation for executive officers. The long-term incentive awards are stock-based, based on our belief that stock ownership by our executive officers strengthens the mutuality of interests between our executive officers and our stockholders. We generally provide more weight towards cash compensation if performance levels are met than stock compensation because stock compensation is not a recoverable cost under the terms of our government contracts. For some of our executives, this may result in the cash compensation being above market levels and stock compensation being below market levels.

We believe that the compensation of our executive officers should be consistent with and reinforce our key business and financial objectives and corporate values over time. Employee compensation may vary based on the business unit for which some executive officers are responsible.

Key Factors in Determining Compensation

An executive officer s performance may be measured by reference to the performance of a business unit and by reference to the performance of ManTech as a whole. Executives having operational responsibility for a business unit were measured primarily at the business unit level on selected factors important to that business unit, as is reflected in the structure of our annual cash incentive program.

Other Matters in Setting Compensation

We have not had the occasion to and have not established a policy about the adjustment or recovery of awards or payments if the relevant performance measures are restated or adjusted in a way that would reduce the size of the award or payment.

In making long-term incentive awards to executive officers, the Compensation Committee takes into account various individual and Company-specific factors, which may include the level of existing stock ownership by our executives. Because of the level of Mr. Pedersen s stock ownership as founder of ManTech, the Compensation Committee has determined that Mr. Pedersen would not be granted any stock options to purchase shares of our common stock.

Other Matters Related to Compensation

Tax and Accounting Considerations

We have considered the potential impact of Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)) in structuring our executive compensation program. Section 162(m) disallows a tax deduction for any publicly-held corporation for individual compensation exceeding $1 million in any taxable year for the Chief Executive Officer or the other four (4) most highly compensated officers, except for compensation that is performance-based under a plan that is approved by the stockholders and that meets other technical requirements. The stock options granted under our Management Incentive Plan are qualified as performance-based compensation. Annual cash incentives paid under the non-discretionary portion of the annual incentive program are structured to be deductible as performance-based compensation under the Management Incentive Plan. The portion of Mr. Pedersen s salary that exceeds the $1 million limit is not deductible and a portion of some bonuses in the past have not been deductible. Our policy is to pay our executives in the manner that we think is in the best interests of ManTech, while taking into account the implications of Section 162(m), as

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appropriate. This may result in the payment of salary or bonuses that are not tax deductible. To date, the missed tax deductions have been immaterial. It is possible that our newly-adopted policy (applicable for 2007 and the foreseeable future) of having a larger portion of bonuses as discretionary may result in larger non-deductible payments in the future.

We adopted Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (FAS 123R) for the 2006 fiscal year. FAS 123R is an accounting standard that requires the fair value of all stock option awards issued to employees to be recorded as an expense over the related vesting period. For stock options granted in 2006, we reduced the life of the options from ten years (used for prior grants) to five years, partially to reduce the expense associated with the grant of stock options. We consider the accounting effects of FAS 123R in establishing the pool for stock option grants each year.

We have considered the potential impact of Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A) in the implementation of our executive compensation program. Section 409A imposes a higher tax rate on individuals who receive payment of non-qualified deferred compensation if that compensation is paid from a non-qualified deferred compensation arrangement that does not comply with the requirements of Section 409A. To comply with Section 409A, we amended the Executive Supplemental Savings Plan to impose additional restrictions on distributions to participants, and Mr. Pedersen took a complete distribution from his SERP (which, following the distribution, was terminated).

No Stock Ownership Guidelines

We have not adopted any stock ownership requirements or guidelines. We have not adopted any policies about hedging the economic risk of Company stock. We believe that no executives have engaged in hedging or similar activities with the Company stock.

Change in Control Benefits

The Company does not have any benefits that are payable only in the event of a change in control.

2006 Compensation Decisions

For the 2006 fiscal year, the compensation of our executive officers was set and administered consistent with the philosophy and polices described above. For setting the salaries of the NEOs for 2006 (excluding the CEO), the primary factors considered were the NEO s salary for the prior year and personal performance. The salaries for the NEOs are shown on the Summary Compensation Table on page 23. Because this 2007 proxy statement is the first proxy statement issued under new SEC guidance, the Summary Compensation Table does not include information about any prior years. The prior compensation information is available in the Company s 2006 proxy statement.

In 2006, the annual incentive compensation payments for each of Mr. Pedersen (our Chairman and CEO), Mr. Coleman (our President and COO), and Mr. Phillips (our Executive Vice President and CFO), were based completely on ManTech-wide performance measures. The performance measures for each of these officers are shown in Notes 4, 5 and 6 following the Grants of Plan-Based Awards table on page 24. Mr. Pedersen and Mr. Coleman have the same performance measures because they do not have any specific business unit responsibilities. Mr. Phillips shares these performance measures and has an additional goal based on forecast accuracy to reflect his financial responsibilities. By using only ManTech-wide performance measures, the incentives for these executive officers are balanced for all aspects of ManTech s business. Because each of these executive officers interacts with all of ManTech s business units, the performance measures are intended to encourage them to attend to the entire business of ManTech and make decisions for the benefit of the entire company. The weighting of the performance measures differs slightly among these executive officers to reflect their particular focus of activities. The Compensation Committee exercised its negative discretion to reduce the 2006 incentive compensation payments by about 14 percent for these executive officers to reflect ManTech s loss of a major contract re-competition in its Defense Systems Group during 2006.

In 2006, the annual incentive compensation payment for Mr. Renzi (President of our Defense Systems Group) was based on a combination of ManTech-wide performance measures and business unit performance measures for the Defense Systems Group (DSG). The performance measures for Mr. Renzi are shown in Note 7 following the Grants of Plan-Based Awards table on page 24. The business unit performance was the primary factor in determining the amount of Mr. Renzi s annual incentive compensation. The weighting of the DSG business unit performance goals reflects the importance to the DSG business unit of its EBIT percentage, because of its size as our largest business unit. The weight for bookings is also an important factor, given the potential for future revenue generation. The Compensation Committee exercised its negative discretion to reduce Mr. Renzi s 2006 incentive compensation payment by about 18 percent due to the loss of one large contract re-competition in 2006.

In 2006, the annual incentive compensation payment for Mr. Dorland (President of our Security and Mission Assurance Group) was based on a combination of ManTech-wide performance measures and business unit performance measures for the Security and Mission Assurance Group (SMA). The performance measures for Mr. Dorland are shown in Note 8 following the Grants of Plan-Based Awards table on page 24. The business unit performance was the primary factor in determining the amount of Mr. Dorland s annual incentive compensation. The weighting of the SMA business unit performance goals reflects the importance to the SMA business unit of its revenue and EBIT percentage, since the demand for the business supported by this unit produces an above average EBIT percentage. The goals also include a retention component, which reflects the competitive market for qualified employees faced by certain parts of the SMA business unit.

SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Option Awards[1] ($) (e)	Non-Equity Incentive Plan Compensation ($) (f)	All Other Compensation[2] ($) (g)	Total ($) (h)
George J. Pedersen,[3] Chairman of the Board and Chief Executive Officer (*Principal Executive Officer*)	2006	1,271,158	0	0	693,500	194,093	2,158,751
Kevin M. Phillips, Chief Financial Officer (*Principal Financial Officer*)	2006	321,352	0	203,166	137,600	9,384	671,502
Robert A. Coleman, President and Chief Operating Officer	2006	627,120	0	879,734	389,700	10,663	1,907,217
Eugene C. Renzi, Sr. Exec VP and Subsidiary President	2006	641,349	0	319,032	658,900	9,465	1,628,746
Gary A. Dorland, Subsidiary President	2006	267,794	0	224,212	160,700	14,430	667,136

(1) The amounts in this column reflect the compensation expense recognized for financial statement reporting purposes with respect to the 2006 fiscal year for the fair value of stock options granted to each of the named executive officers, in 2006 as well as prior fiscal years, in accordance with SFAS 123R, except that the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions pursuant to SEC rules. See Note 10 to the Financial Statements in ManTech s 2006 Annual Report on Form 10-K for the valuation method for options granted in 2006, 2005 and 2004 (subject to the adjustment for forfeitures as noted above) and Note 2 to the Financial Statements in ManTech s Annual 2005 Report on Form 10-K for the valuation method for options granted in 2003. The options granted in 2006 are also reported in the Grants of Plan-Based Awards Table on page 24.

(2) All Other Compensation for 2006 consists of the following amounts: (a) matching contributions made to the ManTech 401(k) Plan in the amounts of $5,683, $6,514, $5,804, and $11,000 for Messrs. Phillips, Coleman, Renzi and Dorland, respectively; (b) contributions to the ManTech Employee Stock Ownership Plan in the amounts of $2,200 for each of Messrs. Phillips, Coleman, Renzi and Dorland; (c) payments of life insurance premiums of $2,694, $1,502, $1,950, $1,461, and $1,230 for Messrs. Pedersen, Phillips, Coleman, Renzi and Dorland, respectively; (d) contribution to a supplemental executive retirement plan in the amount of $50,000 for Mr. Pedersen, and (e) perquisites in the amount of $141,400 for Mr. Pedersen. The perquisites for Mr. Pedersen consist of: (i) $25,604 of legal fees, (ii) $98,348 for the portion of the total cost to the Company of employees time spent on non-corporate matters on behalf of Mr. Pedersen (primarily as a driver), (iii) automobile expenses, (iv) one club membership, (v) an allowance for tax preparation services, and (vi) use of ManTech corporate tickets for one baseball game. For legal fees, the amount is the dollar amount paid by ManTech. For employees time, the aggregate incremental cost is determined by using the employee s salary and overhead costs for the year to calculate an hourly cost and allocating that cost based on the percentage of time spent on these matters compared to the employees total time.

(3) In 2002, ManTech entered into an employment agreement with Mr. Pedersen, our Chairman of the Board and Chief Executive Officer (the Retention Agreement). The terms of Mr. Pedersen s Retention Agreement provide for an annual base salary of at least $1,000,000, to be reviewed annually by us and established for the upcoming year based substantially on the same factors and general compensation policy applicable to the Company s other executive officers. Under the terms of his Retention Agreement, Mr. Pedersen is entitled to receive contributions to qualified and non-qualified retirement plans, insurance programs and perquisites on the same terms they have been provided in previous years, including items such as the lease of an executive type of vehicle for business and personal use, a portion of an employee s time spent on non-corporate matters on behalf of Mr. Pedersen (including attending to chauffeur/valet services and other assistance as required from time to time), club memberships and reimbursement of the costs of certain cell phone and home telephone/fax services. During 2006, Mr. Pedersen voluntarily did not participate in the Company s qualified retirement plans. We do not have employment agreements with any other executive officers.

GRANTS OF PLAN-BASED AWARDS

Name (a)	Grant Date (b)	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	All Other Option Awards: Number of Securities Under-lying Options[2] (#) (f)	Exercise or Base Price of Option Awards[3] ($/sh) (g)	Grant Date Fair Value of Stock and Option Awards ($) (h)
George J. Pedersen							
2006 Bonus Program[4]		390,000	780,000	1,300,000			
Kevin M. Phillips							
2006 Bonus Program[5]		99,000	165,000	247,500			
2006 Option Grant	3/7/2006				25,000	30.07	275,500
Robert A. Coleman							
2006 Bonus Program[6]		198,000	396,000	660,000			
2006 Option Grant	3/7/2006				25,000	30.07	275,500
Eugene C. Renzi							
2006 Bonus Program[7]		204,000	680,000	816,000			
2006 Option Grant	3/7/2006				35,000	30.07	385,700
Gary A. Dorland							
2006 Bonus Program[8]		90,750	178,750	275,000			
2006 Option Grant	3/7/2006				40,000	30.07	440,800

(1) All plan awards were made under the ManTech International Corporation Management Incentive Plan, 2006 Restatement.

(2) The options vest over three years, with 1/3 of the total grant vesting on each of the first three anniversary dates of the grant. The options expire five years after the grant date, subject to earlier termination in the event of termination of service.

(3) For 2006, the exercise price of all option awards was the closing price of our common stock on the Nasdaq Stock Market on the last trading day prior to the grant date.

(4) The amounts in this row represent the potential payouts under the 2006 Incentive Compensation Plan. Actual payouts are shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 23. The award was based on the following performance factors of ManTech at the corporate level and weighting of such factors: (i) Revenue Goal $1,185,000,000, Weighting 25%; (ii) EBIT % Goal 8.75%, Weighting 25%; (iii) DSO Goal 79 days, Weighting 15%; (iv) Bookings Goal $1,777,500,000, Weighting 10%; and (v) Corporate cost controls Goal less than 4% of revenue, Weighting 25%. The threshold required a weighted performance of 85% of the goals. The maximum was reached at a weighted performance of 120% of the goals.

(5) The amounts in this row represent the potential payouts under the 2006 Incentive Compensation Plan. Actual payouts are shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 23. The award was based on the following performance factors of ManTech at the corporate level and weighting of such factors: (i) Revenue Goal $1,185,000,000, Weighting 20%; (ii) EBIT % Goal 8.75%, Weighting 20%; (iii) DSO Goal 79 days, Weighting 20%; (iv) Forecast Accuracy Goal +/- 3% of quarterly guidance, Weighting 20%; and (v) Corporate cost controls Goal less than 4% of revenue, Weighting 20%. The threshold required a weighted performance of 85% of the goals. The maximum was reached at a weighted performance of 120% of the goals.

(6) The amounts in this row represent the potential payouts under the 2006 Incentive Compensation Plan. Actual payouts are shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 23. The award was based on the following performance factors of ManTech at the corporate level and weighting of such factors: (i) Revenue Goal $1,185,000,000, Weighting 25%; (ii) EBIT % Goal 8.75%, Weighting 25%; (iii) DSO Goal 79 days, Weighting 15%; (iv) Bookings Goal $1,777,500,000, Weighting 25%; and (v) Corporate cost controls Goal less than 4% of revenue, Weighting 10%. The threshold required a weighted performance of 85% of the goals. The maximum was reached at a weighted performance of 120% of the goals.

(7) The amounts in this row represent the potential payouts under the 2006 Incentive Compensation Plan. Actual payouts are shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 23. The award was based on the following performance factors of ManTech at the corporate level and weighting of such factors: (i) Revenue Goal $1,185,000,000, Weighting 25%; (ii) EBIT % Goal 8.75%, Weighting 25%; (iii) DSO Goal 79 days, Weighting 25%; and (iv) Bookings Goal $1,777,500,000, Weighting 25%. The award was based on the following performance factors of the Defense Systems Group business unit and weighting of the factors: (i) Revenue Goal $556,000,000, Weighting 20%; (ii) EBIT %, Weighting 25%; (iii) DSO Goal 75 days, Weighting 15%; (iv) Forecast Accuracy Goal -3% to +10% of quarterly guidance, Weighting 15%; and (v) Bookings Goal $834,000,000, Weighting 25%. When we established the Defense Systems Group EBIT % goal, we believed the goal to be reasonably achievable. The final percentage is the business unit weighted percentage multiplied by the corporate level weighted percentage. The threshold required a weighted performance of 85% of the goals. The maximum was reached at a weighted performance of 120% of the goals.

(8) The amounts in this row represent the potential payouts under the 2006 Incentive Compensation Plan. Actual payouts are shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 23. The award was based on the following performance factors of ManTech at the corporate level and weighting of such factors: (i) Revenue Goal $1,185,000,000, Weighting 25%; (ii) EBIT % Goal 8.75%, Weighting 25%; (iii) DSO Goal 79 days, Weighting 25%; and (iv) Bookings Goal $1,777,500,000, Weighting 25%. The award was based on the following performance factors of the Security and Mission Assurance business unit and weighting of the factors: (i) Revenue Goal $260,000,000, Weighting 25%; (ii) EBIT %, Weighting 20%; (iii) DSO Goal 75 days, Weighting 15%; (iv) Forecast Accuracy Goal -3% to +5% of quarterly guidance, Weighting 15%; (v) Bookings Goal $390,000,000, Weighting 15%; and (vi) Retention Goal reduce turnover by 1%, Weighting 10%. When we established the Security and Mission Assurance Group EBIT % goal, we believed the goal to be reasonably achievable. The final percentage is the business unit weighted percentage multiplied by the corporate level weighted percentage. The threshold required a weighted performance of 85% of the goals. The maximum was reached at a weighted performance of 120% of the goals.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable[1]	Option Exercise Price ($)	Option Expiration Date
(a)	(b)	(c)	(d)	(e)
George J. Pedersen	0	0		
Kevin M. Phillips	0	25,000(2)	30.07	3/6/2011
	3,334	6,666(3)	23.95	3/15/2015
	6,667	3,333(4)	22.50	11/8/2014
	16,667	8,333(5)	19.82	10/25/2014
	15,000	0	20.97	8/15/2013
Robert A. Coleman	0	25,000(6)	30.07	3/6/2011
	13,334	26,666(7)	23.95	3/15/2015
	95,000	100,000(8)	15.56	9/10/2014
	66,667	33,333(9)	19.34	6/23/2014
	3,000	0	20.97	8/15/2013
Eugene C. Renzi	0	35,000(10)	30.07	3/6/2011
	0	20,000(11)	23.95	3/15/2015
	0	16,667(12)	15.66	9/13/2014
Gary A. Dorland	0	40,000(13)	30.07	3/6/2011
	3,667	10,666(14)	23.95	3/15/2015
	0	6,667(15)	22.50	11/8/2014
	10,000	0	22.99	9/10/2012

(1) Vesting of all unexercisable options is contingent on the officer remaining with ManTech until the vesting date. The options would fully vest on the officer s death or disability.
(2) For these options, 8,334 shares vest on March 7, 2007, 8,333 shares vest on March 7, 2008, and 8,333 shares vest on March 7, 2009.
(3) For these options, 3,333 shares vest on each of March 15, 2007 and 2008.
(4) These options vest on November 8, 2007.
(5) These options vest on October 25, 2007.
(6) For these options, 8,334 shares vest on March 7, 2007, 8,333 shares vest on March 7, 2008, and 8,333 shares vest on March 7, 2009.
(7) For these options, 13,333 shares vest on each of March 15, 2007 and 2008.
(8) These options vest on September 10, 2007.
(9) These options vest on June 23, 2007.
(10) For these options, 11,667 shares vest on March 7, 2007, 11,667 shares vest on March 7, 2008 and 11,666 shares vest on March 7, 2009.
(11) For these options, 10,000 shares vest on each of March 15, 2007 and 2008.
(12) These options vest on September 13, 2007.
(13) For these options, 13,334 shares vest on March 7, 2007, 13,333 shares vest on March 7, 2008 and 13,333 shares vest on March 7, 2009.
(14) For these options, 5,333 shares vest on each of March 15, 2007 and 2008.
(15) These options vest on November 8, 2007.

OPTION EXERCISES AND STOCK VESTED

	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized On Exercise ($)
Name of Executive Officer (a)	**(b)**	**(c)**
George J. Pedersen	0	0
Kevin M. Phillips	0	0
Robert A. Coleman	120,000	2,413,350
Eugene C. Renzi	56,666	876,055
Gary A. Dorland	20,000	276,685

NONQUALIFIED DEFERRED COMPENSATION

Name (a)	Executive Contributions in Last FY ($) (b)	Registrant Contributions in Last FY ($) (c)	Aggregate Earnings in Last FY ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE ($) (f)
George J. Pedersen (1)	0	50,000	5,482,867	0	23,167,388
Kevin M. Phillips	0	0	0	0	0
Robert A. Coleman	0	0	0	0	0
Eugene C. Renzi	0	0	0	0	0
Gary A. Dorland (2)	13,164	0	5,573	0	37,622

(1) All amounts in this row relate to the ManTech International Corporation Supplemental Executive Retirement Plan (F/B/O George J. Pedersen) (the SERP). The operation of the SERP is subject to the rules of Section 409A of the Internal Revenue Code. The SERP was established in 1987 and previously provided for contributions related to a terminated defined benefit plan. The SERP has also had a defined contribution element. For 2006, the defined contribution was $50,000, which is the same amount as contributed for several prior years. The assets of the SERP were held in two trusts. The larger of the trusts has been principally invested in ManTech common stock since 1993, which had a return of 32% for 2006. The other trust was invested in various other investments with annualized returns as follows: JP Morgan Prime Money Market 4.93%, JP Morgan Short Term Bond Fund 5.57%; JP Morgan Intrepid America Fund 16.06%; John Hancock Classic Value Fund 16.54%; JP Morgan Intrepid Growth Fund 9.38%; Thornburg Value Fund 20.04%; Ishares Russell 2000 Value Index Fund 22.01%; Ishares Russell 2000 Growth Index Fund 13.13%; Ishares MSCI Japan Index Fund 5.49%; Boston company International Core Equity Fund 29.57%; TRowe Price New Asia Fund 36.12%; American Century Real Estate Fund 34.69%; Highbridge Neutral Fund Select 7.02%, JP Morgan Intrepid Mid Cap Fund 13.88%; JPM Multi Strategy Fund 20.00%. Under the terms of the SERP, Mr. Pedersen elected to take a complete distribution of the SERP in early 2007. Following the distribution of all amounts due to Mr. Pedersen, ManTech terminated the SERP in 2007.

(2) All amounts in this row relate to the ManTech Executive Supplemental Savings Plan (the ESSP). The ESSP is a nonqualified deferred compensation plan that allows certain executives and other highly compensated employees to make voluntary deferrals of compensation. The operation of the ESSP is subject to the rules of Section 409A of the Internal Revenue Code. An executive may make deferrals of base salary and bonuses. A participant in the ESSP may select from various mutual funds and similar investments for the deferrals. ManTech does not make any matching or other contributions based on an executive s deferral. An executive is fully vested in their deferrals and any deemed earnings. When a deferral is made, a participant can elect a future time to receive a distribution of that deferral, adjusted for any earnings or losses. Under limited circumstances, the participant may elect to defer that distribution to a future date. Distributions can also be made on an unforeseeable emergency that constitutes a substantial hardship to the participant. Otherwise, distributions are made at termination of employment for any reason, including death or disability. Any distribution at termination to an executive officer would be delayed for six months except for a distribution at death.

Amounts in the ESSP may be invested in the equivalent of 19 different mutual funds that are held within life insurance policies held in a trust for the ESSP. During 2006, the equivalent funds in which executives had investments and their 2006 annualized earnings were: Federated GVIT High Income Bond Class I 10.16%; Gartmore GVIT Investor Destination Moderate Class 2 10.91%; T. Rowe Price Equity Income Class II 18.18%; AIM V.I. Capital Development Series I Shares 16.06%; AIM V.I. International Growth Series I Shares 27.72%; and Van Kampen UIF U.S. Real Estate Class I 37.50%.

Other Potential Post-Termination Payments

Retirement or other Termination by the Executive

If he had retired or terminated his employment in 2006, Mr. Pedersen would have been entitled to the payment of the balance in his SERP, which was $23,167,388 on December 31, 2006. In January 2007, Mr. Pedersen received a complete distribution of his interest in the SERP. Following the distribution, ManTech terminated the SERP and no further benefit is payable from the SERP upon retirement or otherwise.

On his retirement or other termination of employment, Mr. Dorland would be entitled to the payment of the balance in his ESSP account which was $37,622 on December 31, 2006.

None of our other executives would receive any payment from ManTech on a retirement or other termination by the executive.

Termination without Cause

Under his Retention Agreement, if Mr. Pedersen is terminated without cause, he is entitled to a lump sum amount equal to his base salary (which was $1,300,000 as of December 31, 2006). For this purpose, cause means (i) a material violation by Mr. Pedersen of the Retention Agreement, which he fails to cure to ManTech s reasonable satisfaction within thirty (30) days after ManTech delivers written notice specifically identifying such violation; (ii) Mr. Pedersen s willful failure to act in a manner consistent with his responsibilities or with the best interests of ManTech, which he fails to cure to ManTech s reasonable satisfaction within thirty (30) days after ManTech delivers written demand for satisfactory performance that specifically identifies the manner in which ManTech believes that he has not satisfactorily performed his duties; or (iii) Mr. Pedersen s conviction of a felony (other than an offense related to the operation of an automobile that results only in a fine, license suspension or other non-custodial penalty) or other serious crime involving moral turpitude.

If he had been terminated in 2006, Mr. Pedersen would have received the SERP payment described above.

If he had been terminated in 2006, Mr. Dorland would have received the amount from the ESSP described above.

None of our other executives are entitled to any payments on a termination without cause.

Death or Disability

On death or disability of an executive, all unvested stock options vest and may be exercised. If unvested options had been vested and exercised as of December 29, 2006 (based on the closing price of ManTech stock on the last trading day of 2006), the value realized on exercise for these options would have been: Mr. Phillips $444,364, Mr. Coleman $3,222,452, Mr. Renzi $847,040 and Mr. Dorland $503,316.

In addition, on the death of an executive, the following amounts would have been payable from life insurance policies for which ManTech paid the premiums: Mr. Pedersen $500,000; Mr. Phillips $990,000, Mr. Coleman $1,250,000, Mr. Renzi $500,000, and Mr. Dorland $825,000.

On a termination due to permanent disability of an executive, there would be no amounts payable from ManTech but eligible executives would be entitled to payments from a disability insurance policy. Long-term disability pays 60% of salary with a maximum monthly benefit of $15,000. The benefit is generally payable until age 67.

On death or disability, Mr. Dorland (or his beneficiary) would receive the amount from the ESSP described above. For death or disability in 2006, Mr. Pedersen (or his beneficiary) would have received the SERP payments described above.

Change in Control

None of our executives are entitled to any additional payments due to a change in control of ManTech.

Executive Officers

We have set forth below the names and ages of our current executive officers and their respective positions with us. Biographical information for each of our executive officers is presented following the table (the biographical information for Messrs. Pedersen and Coleman was presented in the *Information Regarding the Nominees for Election as Directors* section of the proxy statement).

Our executive officers serve at the discretion of the Board of Directors.

Name	Age	Position
George J. Pedersen	71	Chairman of the Board and Chief Executive Officer
Robert A. Coleman	47	President and Chief Operating Officer
Kevin M. Phillips	45	Executive Vice President and Chief Financial Officer
Eugene C. Renzi	74	Senior Executive Vice President and Subsidiary President
John J. Fitzgerald	53	Senior Vice President Finance and Controller
Gary A. Dorland	57	Subsidiary President
Kenneth J. Farquhar	53	Subsidiary President
Joseph R. Fox	49	Subsidiary President
J. W. Kelley	65	Subsidiary President

Kevin M. Phillips. Mr. Phillips is Executive Vice President and Chief Financial Officer of ManTech International Corporation. Prior to being named Chief Financial Officer, Mr. Phillips served as Corporate Vice President and Chief of Staff for ManTech, in which capacity he played an active role in the integration of acquisitions and other strategic business issues. Mr. Phillips joined ManTech in February 2003. He was formerly the Chief Financial Officer of CTX Corporation, a leading provider of information technology and software strategies and solutions to the national Intelligence Community that had revenues of approximately $35 million at the time it was acquired by ManTech in December 2002. Mr. Phillips spent seven years in the executive management of CTX Corporation. Prior to that, he held various roles including controllerships in IT services providers to the government.

Eugene C. Renzi. Major General Eugene C. Renzi, U.S. Army (Ret.) is Senior Executive Vice President of ManTech International Corporation and President of ManTech s Defense Systems Group (DSG). General Renzi joined ManTech in August 1993 and since 1995 has served as President of ManTech Telecommunications & Information Systems Corporation, part of DSG and one of the company s largest subsidiaries. Prior to joining ManTech, General Renzi served in the U.S. Army for more than 32 years, including as the Director for Command and Control and Communications Systems (C3), U.S. Pacific Command.

John J. Fitzgerald. Since April 2004, John Fitzgerald has been the Company s Senior Vice President of Finance and Controller. In July 2006, he was promoted to Principal Accounting Officer. Previously, he was Vice President and Controller at DynCorp from 1997 to 2003. Prior to that, he was Vice President and Controller at

Litton/PRC Inc. a division of Litton Industries Inc. from 1992 to 1997. He has also held various senior financial positions including Chief Financial Officer at other companies. He started his career at Ernst & Ernst. He graduated from the University of Maryland and is a CPA.

Gary A. Dorland. Mr. Dorland is President of ManTech Security & Mission Assurance Corporation (SMA). Mr. Dorland was named President of SMA in November 2004. Prior to that, he served as SMA s Chief Operating Officer and Executive Vice President, managing the day-to-day operations. Before joining ManTech, Mr. Dorland was Sr. Vice President of Aegis Research Corporation, a premier provider of security services that had revenues of approximately $60 million at the time it was acquired by ManTech. Aegis was acquired by ManTech in August of 2002. Prior to joining Aegis in 1997, Mr. Dorland had an illustrious twenty-year career in the United States Air Force.

Kenneth J. Farquhar. Mr. Farquhar is President of ManTech Systems Engineering Corporation (MSEC). Mr. Farquhar joined ManTech in 1995 as a Vice President managing MSEC s Engineering and Systems Support Group, and was named President of MSEC in December 2003. Before joining ManTech, he held numerous technical and management positions at Veda, Inc. and the Dynalectron Corporation in support of U.S. Navy aircraft flight test and engineering efforts at the Naval Air Warfare Center, Patuxent River, MD.

Joseph R. Fox. Mr. Fox is President of ManTech Information Systems & Technology Corporation (IS&T). Mr. Fox was named President of IS&T in September 2004. Prior to that, he served as Senior Vice President of IS&T. Before joining ManTech, Mr. Fox was a Vice President of Integrated Data Systems Corporation (IDS), a highly regarded provider of software engineering, computer security and enterprise architecture solutions to the Intelligence Community and the Department of Defense that had revenues of approximately $40 million at the time it was acquired by ManTech. He joined IDS in 1991, and was responsible for software development activities, business development and strategic planning. IDS was acquired by ManTech in February 2003.

Jay W. Kelley. Mr. Kelley is the President of ManTech s Space Systems business unit. Mr. Kelley joined ManTech in April 2003 and was appointed to his current position in April 2004. Previously he was Vice President of Mid-West Operations for ManTech. Before joining ManTech, Mr. Kelley served over 37 years with the United States Air Force, retiring as a Lieutenant General. He was a charter member of Toffler Associates, and he has additional professional experience as the chief operating officer for STA, Inc., and later, the Vice President for Military Programs for Lockheed Martin Technical Operations.

AUDIT COMMITTEE REPORT

The Audit Committee reviews ManTech s financial reporting process on behalf of the Board. Management has the primary responsibility for establishing and maintaining adequate internal financial controls, for preparing the financial statements and for the public reporting process. Deloitte & Touche LLP (D&T), our Company s independent registered public accounting firm (or independent auditors) for 2006, is responsible for expressing opinions on the conformity of the financial statements with generally accepted accounting principles and on management s assessment of the effectiveness of the Company s internal control over financial reporting. Additionally, D&T will express its own opinion on the effectiveness of the Company s internal control over financial reporting.

In this context, we have reviewed and discussed with both management and D&T the audited financial statements for the year ended December 31, 2006, management s assessment of the effectiveness of the Company s internal control over financial reporting, and D&T s evaluation of the Company s internal control over financial reporting. The Audit Committee has discussed with D&T those matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*.

D&T has 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 has discussed with D&T the auditor s independence from the Company and its management. The Audit Committee has concluded that D&T s provision of audit and non-audit services to the Company is compatible with D&T s independence.

Based upon the considerations, 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 for the year ended December 31, 2006 in the Company s Annual Report on Form 10-K for 2006.

The Audit Committee of the Board of Directors

Barry G. Campbell, *Chairman*

Walter R. Fatzinger, Jr.

Richard J. Kerr

Paul G. Stern

PROPOSAL 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors is responsible for selecting and appointing our independent registered public accounting firm (or independent auditors). The Audit Committee has appointed the firm of Deloitte & Touche LLP to serve as our independent auditors for the fiscal year ending December 31, 2007, subject to the ratification of such appointment by the stockholders at the Annual Meeting. Although stockholder approval is not required by our bylaws or otherwise, we are submitting the appointment of D&T for ratification in order to obtain the views of our stockholders.

In the event the stockholders fail to ratify the appointment, the Audit Committee will reconsider its appointment. Even if the selection is ratified, the Audit Committee may, in its discretion, appoint a different independent auditors at any time during the year if the Audit Committee believes that a change would be in the best interests of the Company and its stockholders.

In appointing D&T as our independent auditors for the fiscal year ending December 31, 2007, the Audit Committee considered whether D&T s provision of non-audit services to the Company is compatible with maintaining the auditors independence.

D&T served as our independent auditors in 2006. We expect that representatives of D&T will be present at the Annual Meeting and will be available to respond to appropriate questions. Those representatives will also have an opportunity to make a statement or comment on the financial statements if they wish to do so.

Policy Regarding Audit Committee Pre-Approval of Audit and Permitted Non-audit Services

Our Audit Committee charter contains the Audit Committee s policy for pre-approval of audit and permitted non-audit services performed by our independent auditor. The requirement for pre-approval, in part, allows us to assess whether the provision of such services might impair the auditor s independence.

The Audit Committee approves the annual audit services engagement and (if necessary) any material changes in terms, conditions and fees resulting from changes in audit scope or other matters.

The chairman of the Audit Committee has been authorized by the Audit Committee to pre-approve any services arising during the year that were not pre-approved by the Audit Committee at the time of the annual audit services engagement. Services that are pre-approved by the Audit Committee chairman are then communicated to the full Audit Committee, for informational purposes only, at the Audit Committee s next regularly scheduled meeting.

For each proposed service, the independent auditor is required to provide back-up documentation detailing the service. The Audit Committee regularly reviews summary reports provided to us by our independent auditor. During 2006, all services performed by D&T were approved by the Audit Committee pursuant to the Audit Committee s pre-approval policy.

Fees Paid to Deloitte & Touche LLP

The following table presents the aggregate fees that were paid or accrued by us for professional services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the Deloitte Entities) for the fiscal years ended December 31, 2005 and 2006:

Type of Fees	**2005**	**2006**
Audit Fees	$ 985,100	$ 1,150,000
Audit-Related Fees	241,597	171,472
Tax Fees	194,837	250,142
All Other Fees	38,100	16,000
TOTAL	$ 1,459,634	$ 1,587,614

In the table above, in accordance with the definitions and rules of the SEC

Audit Fees are fees that we paid to the Deloitte Entities for professional services rendered for the audit of our consolidated financial statements that are included in our Annual Reports on Form 10-K, the audit of the Company s internal control over financial reporting, and the review of financial statements included in our Quarterly Reports on Form 10-Q.

Audit-Related Fees consist of fees that we paid to the Deloitte Entities for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. Audit-Related Fees include services performed in connection with the audits of our 401(k) plans, Employee Stock Ownership Plan, other benefit plans, foreign operations and include services related to the audit of the pre-acquisition balance sheet provided in connection with the Company s acquisition of GrayHawk Systems, Inc. in 2005.

Tax Fees are fees that we paid to the Deloitte Entities for professional services rendered for tax compliance, tax advice and tax planning.

All Other Fees are fees that we paid to the Deloitte Entities for products and services that were not included in the first three categories, and include consultation services related to the allowability of costs in accordance with the Federal Acquisition Regulation and other compliance issues.

Recommendation of the Board of Directors

The Board recommends that you vote FOR the ratification of the appointment of Deloitte & Touche LLP to serve as our independent auditors for the fiscal year ending December 31, 2007. All proxies executed and returned will be voted FOR the ratification of the appointment of Deloitte & Touche LLP unless the proxy specifies otherwise.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Review and Approval of Transactions with Related Persons

Prior to February 2007, we had informal procedures pursuant to which the Audit Committee was responsible for monitoring and reviewing related party transactions on an ongoing basis, consistent with Nasdaq listing standards.

In February 2007, the Board adopted a policy and procedures for the review, approval and monitoring of all transactions involving the Company and Related Parties (the Policy). Under our Policy, a Related Party is any director, executive officer, director nominee, 5% or greater stockholder, or an immediate family member of any of these people. With certain exceptions that are detailed in our Policy, a Related Party Transaction is any arrangement, transaction or relationship in which the Company is a participant and any Related Party has or will have a direct or indirect interest (other than solely as a result of being a director or less than 10% beneficial owner of another entity).

Under our Policy, the Audit Committee is responsible for reviewing and approving all Related Party Transactions. If a director is involved in the proposed transaction, he or she will not participate in discussions and decisions about the proposed transaction. In determining whether to approve a proposed Related Party Transaction, the Audit Committee will take into account, among other factors:

- the material facts and circumstances of the transaction (such as the nature of the Related Party s interest, the value of the proposed transaction, the benefit to the Company and whether the transaction is on terms comparable to an arms-length transaction),
- any potential impact on a director s independence,
- public disclosure issues, and
- any anticipated perception issues related to the transaction.

If the Audit Committee approves a Related Party Transaction, and the transaction is anticipated to be continuing, the Audit Committee may establish guidelines for senior management to follow in those continuing dealings with the Related Party. In these cases, the Audit Committee is responsible for periodically (and at least annually) reviewing and assessing the ongoing relationships to ensure they are in compliance with the Audit Committee s guidelines and that the Related Party Transaction remains appropriate.

The Policy covers even those transactions that fall below the minimum threshold for disclosure in the proxy statement under the relevant SEC rules. Where a Related Party Transaction is required to be disclosed in the Company s filings, the Policy requires that the transaction be disclosed in accordance with the applicable laws, rules and regulations.

Related Party Transactions

Sale of Our MSM Subsidiary

On February 23, 2007, we sold our MSM subsidiary to MSM Security Services Holdings, LLC (MSM Holdings) for $3 million in cash. MSM Holdings is an entity that is solely owned by George J. Pedersen, our Chairman of the Board and Chief Executive Officer.

In early 2005, we reached a final corporate determination to exit the personnel security investigation services business and discontinue operations at our MSM subsidiary. We then engaged in a lengthy and detailed process (which included the retention of an investment banker to lead the process) to market and sell the MSM business. In January 2007, Mr. Pedersen presented a formal written offer to the Board to purchase our MSM subsidiary. Mr. Pedersen s offer exceeded the value of any other definitive offers extended to the Company.

After Mr. Pedersen presented the formal offer to the Company to purchase MSM, the Board formed a special committee comprised solely of independent directors to review, evaluate and determine the advisability of the transaction. The special committee retained the services of independent legal counsel and an independent financial advisor to assist the special committee with its duties. The special committee received a fairness opinion from the independent financial advisor. The special committee of the Board considered the advice and opinions received from its advisors and unanimously recommended approval of the transaction to the independent members of the Board of Directors. The transaction was then approved by the independent members of the Company s Board of Directors.

GSE Systems, Inc.

In 2003, we sold all of our equity interest in GSE Systems, Inc. (GSE), and a $650,000 note receivable from GSE, to GP Strategies Corporation in exchange for a note with a principal amount of $5,250,955. Since 2003, we have not owned any shares of GSE common stock. However, in connection with the issuance of certain letters of credit in support of payment and performance bonds (which have since expired), the Company holds 100,000 warrants to purchase GSE common stock.

George J. Pedersen, our Chairman of the Board and Chief Executive Officer, beneficially owned shares and options representing less than 5% of GSE as of December 31, 2006. Mr. Pedersen serves on GSE s board of directors and is a member of its compensation committee.

Legal Services

Mr. Stephen Porter, one of our directors, is senior counsel in the law firm of Arnold & Porter LLP, in Washington, D.C. In the past, Arnold & Porter has performed legal services for us from time to time. In 2006, the Company and Mr. Porter agreed that the Company would not engage Arnold & Porter on any new matters so long as Mr. Porter remained on the Board. In 2006, the Company paid the law firm of Arnold & Porter approximately $60,000 for legal services rendered in the course of completing the firm s work on prior engagements.

Employee Relationships

Ms. Christine Lancaster, our Assistant Vice President and Assistant Corporate Secretary, is the daughter of George Pedersen, our Chairman of the Board and CEO. Ms. Lancaster has been employed by us on a full-time basis since 1984. In 2006, Ms. Lancaster received salary compensation of $116,375 and a bonus of $12,000.

Certain of our executive officers have relatives who work for us. In all of these cases, the amount of compensation paid to such family members is less than the amount that would require disclosure under Item 404 of Regulation S-K.

BENEFICIAL OWNERSHIP OF OUR STOCK

Ownership by Our Directors and Executive Officers

The following table sets forth certain information known to us regarding the beneficial ownership of our common stock as of April 1, 2007 by each of the following:

Our named executive officers (identified in the Summary Compensation Table)

Our directors and director nominees

Our directors and executive officers, as a group

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We have determined beneficial ownership in accordance with the rules and regulations of the Exchange Act.

Unless otherwise indicated, the persons included in the table below have sole voting and investment power over the shares reported. In addition, because Class B Common Stock may be voluntarily converted into Class A Common Stock on a share-for-share basis, each share of Class B Common Stock also represents beneficial ownership of a share of Class A Common Stock. However, for purposes of this presentation, share amounts and ownership percentages are presented without regard to convertibility. The address for each person in the table below is the mailing address of our principal executive offices: 12015 Lee Jackson Highway, Fairfax, VA 22033-3300.

	Class A Common Stock			Class B Common Stock		
Name	**Total Shares Beneficially Owned[1]**	**Number of Option Shares[1]**	**Percent of Class[2]**	**Total Shares Beneficially Owned**	**Percent of Class**	**Total Voting Power[2] [3]**
George J. Pedersen [4]				14,479,553	100%	88.1%
Robert A. Coleman [5]	128,991	113,745	*			*
Gary A. Dorland [8]	32,608	32,334	*			*
Kevin M. Phillips [6]	53,564	53,335	*			*
Eugene C. Renzi [7]	898	0	*			*
Walter R. Fatzinger, Jr. [9]	22,225	17,000	*			*
Richard J. Kerr	17,000	17,000	*			*
Stephen W. Porter	17,000	17,000	*			*
Barry G. Campbell	17,000	17,000	*			*
David E. Jeremiah	10,000	10,000	*			*
Paul G. Stern	5,000	5,000	*			*
Richard L. Armitage	3,334	3,334	*			*
Mary K. Bush	5,000	5,000	*			*
Kenneth A. Minihan	0	0				
All directors and executive officers as a group (18 persons):	361,237	338,414	1.9%	14,479,553	100%	88.4%

(1) Shares of common stock subject to options that are or will become exercisable within 60 days after April 1, 2007 comprise the number of shares listed under the column Number of Option Shares, and such shares are also included in computing the total shares of Class A Common Stock beneficially owned by such individual under the column Total Shares Beneficially Owned.

(2) An asterisk indicates that the total beneficial ownership of the class of stock or the total voting power of our outstanding common stock (in each case, including shares subject to options that may be exercised within 60 days) is less than 1%.

(3) The holders of our Class A Common Stock are entitled to one (1) vote per share, and the holders of our Class B Common Stock are entitled to ten (10) votes per share.

(4) Includes (i) 14,414,468 shares of Class B Common Stock held in the name of George J. Pedersen, (ii) 63,917 shares of Class B Common Stock held by the ManTech Special Assistance Fund, Inc., a fund over which Mr. Pedersen has voting and investment control and as to which Mr. Pedersen disclaims beneficial ownership, and (iii) 1,168 shares of Class B Common Stock held by Mr. Pedersen s wife, Marilyn A. Pedersen, and as to which Mr. Pedersen disclaims beneficial ownership.

(5) Includes 246 shares of Class A Common Stock vested in the name of Robert A. Coleman that are held by the ManTech International Corporation Employee Stock Ownership Plan.

(6) Includes 229 shares of Class A Common Stock vested in the name of Kevin M. Phillips that are held by the ManTech International Corporation Employee Stock Ownership Plan.

(7) Includes 898 shares of Class A Common Stock vested in the name of Eugene C. Renzi that are held by the ManTech International Corporation Employee Stock Ownership Plan.

(8) Includes 274 shares of Class A Common Stock vested in the name of Gary A. Dorland that are held by the ManTech International Corporation Employee Stock Ownership Plan.

(9) Includes 2,225 shares of Class A Common Stock held by Fidelity Brokerage Services LLC for Helen C. Fatzinger, as to which Mr. Fatzinger disclaims beneficial ownership.

Ownership by Holders of More Than 5% of Our Class A Common Stock

The following table details certain information with regard to the beneficial ownership of the owners of more than 5% of our outstanding Class A Common Stock, as of December 31, 2006.

Name and Address	Number of Shares Beneficially Owned and Nature of Beneficial Ownership(1)(2)(3)	Percent of Outstanding Class A Common Stock(4)	Total Voting Power(4)
Neuberger Berman, Inc. 605 Third Avenue, New York, NY 10158	2,781,032	14.6%	1.6%
Royce & Associates, LLC 1414 Ave. of the Americas, New York, NY 10019	1,650,055	8.7%	1.0%
Barclays Global Investors, NA 45 Fremont Street, San Francisco, CA 94105	976,511	5.1%	0.6%

(1) As reported on a Schedule 13G/A filed by Neuberger Berman, Inc. on February 13, 2007. According to such Schedule 13G/A, Neuberger Berman, Inc. and Neuberger Berman, LLC have the sole voting power with respect to 1,700 of these shares, shared voting power with respect to 2,313,700 of these shares, and shared dispositive power with respect to all 2,781,032 of these shares; Neuberger Berman Management Inc. reported shared voting and shared dispositive power with respect to 2,313,700 of these shares; Neuberger Berman Equity Funds reported shared voting and shared dispositive power with respect to 2,277,400 of these shares.

(2) As reported on a Schedule 13G/A filed by Royce & Associates, LLC on January 23, 2007. According to such Schedule 13G/A, Royce & Associates, LLC beneficially owns 1,650,055 shares, and has the sole voting and sole dispositive power with respect to all 1,650,055 of these shares.

(3) As reported on a Schedule 13G/A filed by Barclays Global Investors, NA on December 31, 2006. According to such Schedule 13G/A, Barclays Global Investors, NA beneficially owns 976,511 shares, and has the sole voting power with respect to 935,068 of these shares, and sole dispositive power with respect to all 976,511 shares.

(4) Based on 19,020,181 shares of Class A Common Stock and 15,032,293 shares of Class B Common Stock outstanding on December 31, 2006. The holders of our Class A Common Stock are entitled to one (1) vote per share, and the holders of our Class B Common Stock are entitled to ten (10) votes per share.

Section 16(a) Beneficial Ownership Reporting Compliance

The rules promulgated under Section 16(a) of the Exchange Act require our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC and with Nasdaq, and to furnish us with copies of such Section 16 reports that they file.

Based solely upon our review of the Section 16 reports that have been furnished to us, we believe that our officers, directors and 10% stockholders complied with their Section 16(a) filing obligations for 2006 and timely filed all reports required to be filed pursuant to Section 16(a) for 2006.

Stockholder Proposals

In order for a stockholder proposal to be considered for inclusion in our proxy statement for our 2008 Annual Meeting of Stockholders pursuant to Rule 14a-8(e) of the Exchange Act, the proposal must be received by our Corporate Secretary at 12015 Lee Jackson Highway, Fairfax, VA 22033-3300, no later than December 28,

2007. The stockholder proposal, including any accompanying supporting statement, may not exceed 500 words. Notice of any stockholder proposal to be submitted outside of the Rule 14a-8 process mentioned above must be received by our Corporate Secretary between December 28, 2007 and February 27, 2008 in order to be considered timely. As to all such matters for which we do not receive notice on or prior to that date, discretionary authority to vote on such proposal shall be granted to the persons designated in our proxy relating to the 2008 Annual Meeting of Stockholders. However, if we determine to change the date of the 2008 Annual Meeting of Stockholders by more than 30 days from June 6, 2008, we will provide stockholders with a reasonable time before we begin to print and mail our proxy materials for the 2008 Annual Meeting of Stockholders, so that our stockholders have an opportunity to make proposals in accordance with the rules and regulations of the SEC.

Incorporation by Reference and Other Information

We have included our Annual Report for the fiscal year ended December 31, 2006 (and our audited financial statements for such fiscal year) with this proxy statement; however, the Annual Report and the audited financial statements are not incorporated by reference into this proxy statement, do not constitute a part of the proxy soliciting material, and are not subject to the liabilities of Section 18 of the Exchange Act. You may request additional copies of the accompanying Annual Report, without charge, by contacting our investor relations department.

Available Information

You may also obtain a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (including the financial statements, financial statement schedules and exhibits), without charge, by sending a written request to Corporate Secretary, ManTech International Corporation, 12015 Lee Jackson Highway, Fairfax, VA 22033-3300, or by calling (703) 218-6303.

Additionally, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge on the Corporate Governance page of our Website, as soon as reasonably practicable after we electronically file such reports with the SEC. Information contained on our Website is not a part of this proxy statement.

By Order of the Board of Directors

George J. Pedersen

Chairman of the Board and Chief Executive Officer

Fairfax, Virginia

April 20, 2007

Appendix A

MANTECH INTERNATIONAL CORPORATION

PROXY FOR ANNUAL MEETING OF STOCKHOLDERS JUNE 6, 2007

(This Proxy is solicited by the Board of Directors of the Company)

The undersigned stockholder of ManTech International Corporation hereby appoints George J. Pedersen and Robert A. Coleman, or either of them, his/her true and lawful agents and proxies, each with full power of substitution, to represent and to vote as specified in this proxy all Common Stock of the Company that the undersigned stockholder would be entitled to vote if present in person at the Annual Meeting of Stockholders of ManTech International Corporation to be held at The Hyatt Fair Lakes, 12777 Fair Lakes Circle, Fairfax, Virginia 22033, on Wednesday, June 6, 2007 at 11 a.m. (EDT).

WHEN THIS PROXY IS PROPERLY EXECUTED, THE SHARES TO WHICH THIS PROXY RELATES WILL BE VOTED AS SPECIFIED. **IF NO SPECIFICATION IS MADE, THE SHARES TO WHICH THIS PROXY RELATES WILL BE VOTED FOR ALL NOMINEES WITH RESPECT TO THE ELECTION OF DIRECTORS IN PROPOSAL 1, AND FOR THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP IN PROPOSAL 2**, THIS PROXY AUTHORIZES THE ABOVE DESIGNATED PROXIES TO VOTE IN THEIR DISCRETION ON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF TO THE EXTENT AUTHORIZED BY RULE 14a-4(c) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

(Continued and to be signed on the reverse side)

MANTECH INTERNATIONAL CORPORATION

The Board of Directors recommends a vote FOR ALL NOMINEES for directors in Proposal 1

and FOR Proposal 2. Please sign, date and return promptly in the enclosed envelope.

Please mark your vote in blue or black ink as shown here n

1. PROPOSAL 1 Election of Directors

r **FOR** all nominees	**NOMINEES**
	rGeorge J. Pedersen
r **WITHHOLD AUTHORITY** for all nominees.	rRichard L. Armitage
	rMary K. Bush
	rBarry G. Campbell
r **FOR ALL EXCEPT** (See instructions below).	rRobert A. Coleman
	rWalter R. Fatzinger, Jr.
	rDavid E. Jeremiah
	rRichard J. Kerr
	rKenneth A. Minihan
	rStephen W. Porter

(INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark FOR ALL EXCEPT and fill in the circle next to each nominee you wish to withhold as shown here n

2. PROPOSAL 2 Ratify the appointment of Delotte & Touche LLP to serve as the Company s independent auditors for the fiscal year ending December 31, 2007.

r FOR **r AGAINST** **r ABSTAIN**

3. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting or any adjournment thereof.

The undersigned acknowledges receipt of the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement, in which Proposals 1 and 2 are fully explained.

PLEASE MARK, SIGN, DATE AND RETURN THIS CARD PROMPTLY USING THE ENCLOSED RETURN ENVELOPE.

Signature: _________________ Signature (if held jointly): _________________ Date: ___________________

Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as an executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.