

L 3 COMMUNICATIONS HOLDINGS INC

Form PRE 14A

March 07, 2013

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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

L-3 COMMUNICATIONS HOLDINGS, INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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.
 1. Amount previously paid:
 2. Form, Schedule or Registration Statement No.:
 3. Filing Party:
 4. Date Filed:

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L-3 COMMUNICATIONS HOLDINGS, INC.

To Our Shareholders:

On behalf of the Board of Directors, I cordially invite you to attend the Annual Meeting of Shareholders of L-3 Communications Holdings, Inc., to be held at 2:30 p.m., Eastern Daylight Time, on Tuesday, April 30, 2013, at the Ritz-Carlton New York, Battery Park, located at Two West Street, New York, New York. The notice and proxy statement for the Annual Meeting are attached to this letter and describe the business to be conducted at the Annual Meeting.

In accordance with the rules of the Securities and Exchange Commission, we sent a Notice of Internet Availability of Proxy Materials on or about March 18, 2013 to our shareholders of record as of the close of business on March 1, 2013. We also provided access to our proxy materials over the Internet beginning on that date. If you received a Notice of Internet Availability of Proxy Materials by mail and did not receive, but would like to receive, a printed copy of our proxy materials, you should follow the instructions for requesting such materials included on page 5 of this proxy statement or in the Notice of Internet Availability of Proxy Materials.

To have your vote recorded, you should vote over the Internet or by telephone. In addition, if you have requested or received a paper copy of the proxy materials, you can vote by signing, dating and returning the proxy card sent to you in the envelope accompanying the proxy materials sent to you. We encourage you to vote by any of these methods even if you currently plan to attend the Annual Meeting. By doing so, you will ensure that your shares are represented and voted at the Annual Meeting. If you decide to attend, you can still vote your shares in person if you wish. Please let us know whether you plan to attend the Annual Meeting by indicating your plans when prompted over the Internet voting system or the telephone or (if you have received a paper copy of the proxy materials) by marking the appropriate box on the proxy card sent to you.

On behalf of the Board of Directors, I thank you for your cooperation and look forward to seeing you on April 30, 2013.

Very truly yours,

Michael T. Strianese

Chairman, President and

Chief Executive Officer

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L-3 COMMUNICATIONS HOLDINGS, INC.

**NOTICE OF 2013 ANNUAL MEETING OF
SHAREHOLDERS AND PROXY STATEMENT**

Notice is hereby given that the 2013 Annual Meeting of Shareholders (the Annual Meeting) of L-3 Communications Holdings, Inc. (L-3 or the Company) will be held at the Ritz-Carlton New York, Battery Park, located at Two West Street, New York, New York on Tuesday, April 30, 2013, at 2:30 p.m., Eastern Daylight Time, for the following purposes:

1. Election of the four Class II Directors listed herein whose terms expire in 2016 and the one Class I Director Nominee listed herein whose term expires in 2014;
 2. To approve the amendment to the L-3 Communications Holdings, Inc. Amended and Restated 2008 Long Term Performance Plan (the Amended and Restated Plan);
 3. To approve the amendment and restatement of the Company s Amended and Restated Certificate of Incorporation to provide for the phased-in declassification of the Board of Directors, beginning in 2014 (the Declassification Proposal);
 4. To approve the amendment and restatement of the Company s Amended and Restated Certificate of Incorporation to reduce the vote required to alter, amend or repeal certain provisions in L-3 s Amended and Restated Bylaws (the Supermajority Proposal);
 5. To approve the amendment and restatement of the Company s Amended and Restated Certificate of Incorporation to permit shareholders to take action by written consent (the Written Consent Proposal);
 6. Ratification of the appointment of our independent registered public accounting firm for 2013 (the Auditor Ratification Proposal);
 7. To approve, in a non-binding, advisory vote, the compensation paid to our named executive officers as described herein (the Say-on-Pay Proposal); and
 8. Transaction of such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.
- By Order of the Board of Directors

Steven M. Post

Senior Vice President, General Counsel and

Corporate Secretary

March 18, 2013

IMPORTANT

Whether or not you currently plan to attend the Annual Meeting in person, please vote over the Internet or by telephone, or (if you received a paper copy of the proxy materials) complete, date, sign and promptly mail the paper proxy card sent to you. You may revoke your proxy if you attend the Annual Meeting and wish to vote your shares in person.

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L-3 Communications Holdings, Inc.

600 Third Avenue

New York, New York 10016

PROXY STATEMENT

This proxy statement is being made available to the holders of the common stock, par value \$0.01 per share, of L-3 Communications Holdings, Inc. (the Common Stock) in connection with the solicitation of proxies for use at the Annual Meeting to be held at the Ritz-Carlton New York, Battery Park, located at Two West Street, New York, New York at 2:30 p.m., Eastern Daylight Time, on Tuesday, April 30, 2013.

RECORD DATE

Our Board of Directors has fixed the close of business on March 1, 2013 as the Record Date (the Record Date) for the Annual Meeting. Only shareholders of record at the Record Date are entitled to notice of, and to vote at, the Annual Meeting or at any adjournments or postponements thereof, in person or by proxy. At the Record Date, there were 90,204,497 shares of our Common Stock outstanding and entitled to vote at the Annual Meeting. Each holder of Common Stock is entitled to one vote for each share of our Common Stock held by such holder. The holders of a majority of the outstanding shares of our Common Stock entitled to vote generally in the election of directors, represented in person or by proxy, shall constitute a quorum at the Annual Meeting.

On or about March 18, 2013, we either mailed you a notice (the Notice) notifying you how to vote online and how to electronically access a copy of this proxy statement, our Summary Annual Report and our Annual Report on Form 10-K for the year ended December 31, 2012 (together referred to as the Proxy Materials) or mailed you a complete set of the Proxy Materials. If you have not received but would like to receive printed copies of these documents, including a proxy card in paper format, you should follow the instructions for requesting such materials contained in the Notice.

PROXIES

The proxies are solicited by our Board of Directors on our behalf for use at the Annual Meeting and any adjournments or postponements of the Annual Meeting, and the expenses of solicitation of proxies will be borne by us. The solicitation will be made primarily via the Internet and by mail, but our officers and regular employees may also solicit proxies by telephone, telegraph, facsimile, or in person. We also have retained Georgeson Inc. to assist in soliciting proxies. We expect to pay Georgeson Inc. approximately \$10,000 plus expenses in connection with its solicitation of proxies.

Each shareholder may appoint a person (who need not be a shareholder), other than the persons named in the proxy, to represent him or her at the Annual Meeting by completing another proper proxy. In either case, such completed proxy should be returned in the envelope provided to you for that purpose (if you have requested or received a paper copy of the Proxy Materials). If you own your shares of our Common Stock directly in your name in our stock records maintained by our transfer agent, Computershare Trust Company, N.A. (Computershare), your proxy card should be delivered to L-3 Communications Holdings, Inc. c/o Computershare Investor Services, P.O. Box 43102, Providence, Rhode Island 02940-5068, not later than 1:00 a.m., Eastern Daylight Time, on April 30, 2013. If you own shares through L-3 s 401(k) plan, return completed proxy cards in the envelope provided to Broadridge Financial Solutions c/o Vote Processing, 51 Mercedes Way, Edgewood, NY 11717 by 8:00 a.m., Eastern Daylight Time on April 29, 2013.

Any proxy delivered pursuant to this solicitation is revocable at the option of the person(s) executing the proxy upon our receipt, prior to the time the proxy is voted, of a duly executed instrument revoking it, or of a duly executed proxy bearing a later date, or by such person(s) voting in person at the Annual Meeting. Unless revoked, all proxies representing shares entitled to vote that are delivered pursuant to this solicitation will be voted at the Annual Meeting and, where a choice has been specified on the proxy card, will be voted in accordance with such specification. **Where a choice has not been specified on the proxy card, the proxy will be voted in accordance with the recommendations of our Board of Directors.**

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VOTING IN PERSON

If you are a shareholder of record and prefer to vote your shares at the Annual Meeting, you must bring proof of identification along with your Notice or the admission ticket attached to your proxy card if you received a paper copy. You may vote shares held in street name at the Annual Meeting only if you obtain a signed proxy from the record holder (broker or other nominee) giving you the right to vote the shares.

Even if you plan to attend the Annual Meeting, we encourage you to vote in advance by Internet, telephone or (if you received a paper copy of the Proxy Materials) by mail so that your vote will be counted even if you later decide not to attend the Annual Meeting. Voting your proxy by the Internet, telephone or mail will not limit your right to vote at the Annual Meeting if you later decide to attend in person. If you own your shares of our Common Stock through a bank, brokerage firm or other record holder and wish to vote in person at the Annual Meeting, you must request a legal proxy from your bank or broker or obtain a proxy from the record holder.

Please note that you may receive multiple copies of the Notice or Proxy Materials (electronically and/or by mail). These materials may not be duplicates as you may receive separate copies of the Notice or Proxy Materials for each type of account in which you hold shares of our Common Stock. Please be sure to vote all of your shares in each of your accounts in accordance with the directions on the proxy card(s) and/or voting instruction form(s) that you receive. In the case of duplicate votes for shares in a particular account, your last vote is the one that counts.

VOTING BY INTERNET, TELEPHONE OR MAIL

The following sets forth how a shareholder can vote over the Internet, by telephone or by mail:

Voting By Internet

If you hold your shares of our Common Stock through a bank or brokerage firm (i.e., you are not a registered holder), or if you own shares through L-3's 401(k) plan, you can vote at www.proxyvote.com, 24 hours a day, seven days a week. You will need the 12-digit Control Number included on your Notice or your paper voting instruction form (if you received a paper copy of the Proxy Materials).

If you own your shares of our Common Stock directly in your name in our stock records maintained by Computershare, you can vote at www.investorvote.com/LLL, 24 hours a day, seven days a week. You will need the 15-digit Control Number included on your paper proxy card.

Voting By Telephone

If you hold your shares of our Common Stock through a bank or brokerage firm, you can vote using a touch-tone telephone by calling the toll-free number included on your paper voting instruction form (if you received a paper copy of the Proxy Materials), 24 hours a day, seven days a week. You will need the 12-digit Control Number included on your paper voting instruction form.

If you own your shares of our Common Stock directly in your name in our stock records maintained by Computershare, you can vote using a touch-tone telephone by calling 1-800-652-VOTE (8683), 24 hours a day, seven days a week. You will need the 15-digit Control Number included on your paper proxy card.

If you hold your shares through L-3's 401(k) plan, you can vote using a touch-tone telephone by calling 1-800-690-6903, 24 hours a day, seven days a week. You will need the 12-digit Control Number included on your paper proxy card.

If you hold your shares in street name, you may also submit voting instructions to your bank, broker or other nominee. In most instances, you will be able to do this over the Internet, by telephone, or by mail. Please refer to the information from your bank, broker or other nominee on how to submit voting instructions.

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The Internet and telephone voting procedures, which comply with Delaware law and the Securities and Exchange Commission (the "SEC") rules, are designed to authenticate shareholders' identities, to allow shareholders to vote their shares and to confirm that their instructions have been properly recorded.

Voting By Mail

If you have received a paper copy of the Proxy Materials by mail, you may complete, sign, date and return by mail the paper proxy card or voting instruction form sent to you in the envelope provided to you with your Proxy Materials or voting instruction form.

Deadline for Submitting Votes By Internet, Telephone or Mail

If you hold your shares of our Common Stock through a bank or brokerage account, proxies submitted over the Internet or by telephone as described above must be received by 11:59 p.m., Eastern Daylight Time, on April 29, 2013.

If you own your shares of our Common Stock directly in your name in our stock records maintained by Computershare, proxies submitted over the Internet or by telephone as described above must be received by 1:00 a.m., Eastern Daylight Time, on April 30, 2013.

If you own your shares of our Common Stock through L-3's 401(k) plan, proxies submitted over the Internet or by telephone as described above must be received by 11:59 p.m., Eastern Daylight Time, on April 28, 2013.

Proxies submitted by mail should be returned in the envelope provided to you with your paper proxy card or voting instruction form, and must be received no later than 1:00 a.m., Eastern Daylight Time, on April 30, 2013, if you own your shares of our Common Stock directly in your name in our stock records maintained by Computershare, or by 8:00 a.m., Eastern Daylight Time, on April 29, 2013, if you own your shares through L-3's 401(k) plan.

REQUIRED VOTE

The vote required to approve all of the proposals listed herein assumes the presence of a quorum. For each proposal, abstentions and instances where brokers are prohibited from exercising discretionary authority for beneficial owners who have not returned a proxy (so-called "broker non-votes") will be counted for purposes of determining a quorum.

Proposal 1: Election of the four Class II Directors listed herein whose terms expire in 2016 and the one Class I Director Nominee listed herein whose term expires in 2014: A majority of the votes cast at the Annual Meeting is required for the election of each nominee for director. Abstentions and "broker non-votes" will have no effect on the outcome of this proposal.

Proposal 2: Amended and Restated Plan: A majority of the votes cast at the Annual Meeting is required to approve the Amended and Restated Plan, provided that the total number of votes cast on the proposal must also represent a majority of all shares of Common Stock entitled to vote on the proposal. Abstentions and "broker non-votes" will have no effect on the outcome of this proposal, provided that the total number of votes cast on the proposal must also represent a majority of all shares of Common Stock entitled to vote on the proposal.

Proposal 3: Declassification Proposal: The two-thirds approval of all shareholders entitled to vote on the proposal is required to approve the Declassification Proposal. Abstentions and "broker non-votes" will have the same effect as votes against this proposal.

Proposal 4: Supermajority Proposal: The affirmative vote of a majority of the outstanding common stock of the Company is required to approve the Supermajority Proposal. Abstentions and "broker non-votes" will have the same effect as votes against this proposal.

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Proposal 5: Written Consent Proposal: The affirmative vote of all of the outstanding common stock of the Company is required to approve the Written Consent Proposal. Abstentions and broker non-votes will have the same effect as votes against this proposal.

Proposal 6: Auditor Ratification Proposal: A majority of the votes cast at the Annual Meeting is required for the Auditor Ratification Proposal. Abstentions will have no effect on the outcome of this proposal.

Proposal 7: Say-on-Pay Proposal: A majority of the votes cast at the Annual Meeting is required to approve the Say-on-Pay Proposal. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

Revocation of Proxies Submitted by Internet, Telephone or Mail

To revoke a proxy previously submitted over the Internet, by telephone or by mail, you may simply vote again at a later date, using the same procedures, in which case your later submitted vote will be recorded and your earlier vote revoked. You may also attend the Annual Meeting and vote in person.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on April 30, 2013.

The following Proxy Materials are available for you to view online at <http://www.L-3com.com>: (i) this proxy statement (including all attachments); (ii) our Summary Annual Report and Annual Report on Form 10-K, in each case for the year ended December 31, 2012 (which is not deemed to be part of the official proxy soliciting materials); and (iii) any amendments to the foregoing materials that are required to be furnished to shareholders. In addition, if you have not received a copy of our Proxy Materials and would like one, you may download an electronic copy of our Proxy Materials or request a paper copy at <http://www.L-3com.com>. You will also have the opportunity to request paper or email copies of our Proxy Materials for all future Annual Meetings.

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Our existing Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") provides for a classified Board of Directors divided into three classes: Claude R. Canizares, Thomas A. Corcoran, Lloyd W. Newton and Alan H. Washkowitz constitute a class with a term that expires at the Annual Meeting in 2013 (the "Class II Directors"); H. Hugh Shelton, Michael T. Strianese and John P. White constitute a class with a term that expires at the Annual Meeting in 2014 (the "Class I Directors"); and Lewis Kramer, Robert B. Millard and Arthur L. Simon constitute a class with a term that expires at the Annual Meeting in 2015 (the "Class III Directors").

As discussed in greater detail in Proposal 3, the Board has approved an amendment to our Certificate of Incorporation to provide for the phased-in declassification of the Board, beginning in 2014, subject to the approval of the shareholders at the Annual Meeting. If Proposal 3 is approved by the requisite vote of the shareholders, the directors elected at the 2014 Annual Meeting of Shareholders (and each Annual Meeting of Shareholders held thereafter) will be elected for one-year terms, and beginning with the 2016 Annual Meeting of Shareholders, the entire Board will be elected on an annual basis.

The full Board of Directors has considered and nominated the following slate of Class II nominees for a three-year term expiring in 2016: Claude R. Canizares, Thomas A. Corcoran, Lloyd W. Newton and Alan H. Washkowitz as well as the following Class I nominee for a one-year term expiring in 2014: Vincent Pagano, Jr. Action will be taken at the Annual Meeting for the election of these five nominees.

It is intended that the proxies delivered pursuant to this solicitation will be voted in favor of the election of Claude R. Canizares, Thomas A. Corcoran, Lloyd W. Newton, Alan H. Washkowitz and Vincent Pagano, Jr. except in cases of proxies bearing contrary instructions. In the event that these nominees should become unavailable for election due to any presently unforeseen reason, the persons named in the proxy will have the right to use their discretion to vote for a substitute.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS IN 2013

The following information describes the offices held, other business directorships and the class and term of each nominee. Beneficial ownership of equity securities of the nominees is described in "Security Ownership of Management" on page 44.

Class II Directors Whose Terms Expire in 2016

Name	Age	Principal Occupation And Other Information
Claude R. Canizares	67	Director since May 2003. Member of the Audit Committee. Since 1971, Professor Canizares has been at MIT. He currently serves as the Vice President, and is the Bruno Rossi Professor of Physics. In addition, he is a principal investigator on NASA's Chandra X-ray observatory and Associate Director of its science center. Professor Canizares is a member of the National Academy of Sciences, the International Academy of Astronautics, and a fellow of the American Academy of Arts and Sciences, the American Physical Society and the American Association for the Advancement of Science. He serves on the Department of Commerce's National Advisory Council on Innovation and Entrepreneurship and the Emerging Technology and Research Advisory Committee and the National Research Council's (NRC) Committee on Science, Technology and the Law. He has served on the Air Force Scientific Advisory Board, the NASA Advisory Council and the Council of the National Academy of Sciences.

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Name	Age	Principal Occupation And Other Information
Thomas A. Corcoran	68	Director since July 1997. Chair of the Audit Committee and member of the Executive Committee. Mr. Corcoran is President of Corcoran Enterprises, LLC, a private management consulting firm, since 2001. From March 2001 to April 2004, Mr. Corcoran was the President and Chief Executive Officer of Gemini Air Cargo. Mr. Corcoran was the President and Chief Executive Officer of Allegheny Teledyne Incorporated from October 1999 to December 2000. From April 1993 to September 1999, he was the President and Chief Operating Officer of the Electronic Systems Sector and Space & Strategic Missiles Sector of Lockheed Martin Corporation. Prior to that he worked for General Electric for 26 years and held various management positions with GE Aerospace. Mr. Corcoran is also a director of GenCorp Inc. and ARINC. He formerly served as a director of La Barge, Inc., REMEC, Inc., Serco Ltd, United Industrial Corporation and Force Protection, Inc.
Lloyd W. Newton	70	Director since September 2012. General Newton (U.S. Air Force Ret.) was a four-star General and Commander of the Air Force, Air Education and Training Command, where he was responsible for the recruiting, training and education of Air Force personnel from 1997 until his retirement in 2000. Following his retirement from the Air Force, General (Ret.) Newton was executive vice president of Pratt & Whitney Military Engines until 2006. During his 34 year military career, General (Ret.) Newton also served as an Air Force congressional liaison officer with the U.S. House of Representatives and was a member of the Air Force's Air Demonstration Squadron, the Thunderbirds. General (Ret.) Newton is a current director of Sonoco Products Co. and Torchmark Corporation. He formerly served as a director of Goodrich Corporation.
Alan H. Washkowitz	72	Director since April 1997. Chair of the Nominating/Corporate Governance Committee and member of the Compensation Committee. Mr. Washkowitz is a private investor. Before his retirement in July 2005, Mr. Washkowitz was a Managing Director of Lehman Brothers, and was responsible for the oversight of Lehman Brothers Inc. Merchant Banking Portfolio Partnership L.P. Mr. Washkowitz joined Lehman Brothers Inc. in 1978 when Kuhn Loeb & Co. was acquired by Lehman Brothers. Mr. Washkowitz is also a director of Peabody Energy Corporation.

Class I Director Nominee Whose Term Expires in 2014

Name	Age	Principal Occupation And Other Information
Vincent Pagano, Jr.	62	Mr. Pagano was a partner at Simpson Thacher & Bartlett LLP until his retirement at the end of 2012. He was the head of the firm's capital markets practice from 1999 to 2012, and, before that, administrative partner of the firm from 1996 to 1999. He was a member of the firm's executive committee during nearly all of that period. He also serves on the Board of Directors of Cheniere Energy Partners GP, LLC, the general partner of Cheniere Energy Partners, and has been nominated for election as a member of the Board of Directors of Hovnanian Enterprises, Inc. at their 2013 Annual Meeting of Shareholders to be held on March 12, 2013. Mr. Pagano serves on the Engineering Advisory Council of Lehigh University.

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The nominees for election to the Board of Directors are hereby proposed for approval by the shareholders. Assuming a quorum is present, a majority of the votes cast at the Annual Meeting is required for the election of each nominee.

The Board of Directors Recommends a Vote FOR Each of the Proposed Nominees Listed Above for Election to the Board of Directors.

CONTINUING MEMBERS OF THE BOARD OF DIRECTORS

The following information describes the offices held, other business directorships and the class and term of each director whose term continues beyond the 2013 Annual Meeting and who is not subject to election this year.

Beneficial ownership of equity securities for these directors is described in *Security Ownership of Management* on page 44.

Class I Directors Whose Terms Expire in 2014

Name	Age	Principal Occupation And Other Information
H. Hugh Shelton	71	Director since April 2011. Member of the Nominating/Corporate Governance Committee. General (Ret.) Shelton, U.S. Army was the senior officer of the United States military and principal military advisor to the President of the United States, the Secretary of Defense and the National Security Council when he served as the fourteenth Chairman of the Joint Chiefs of Staff from 1997 until his retirement in 2001. He had previously served as Commander-in-Chief of U.S. Special Operations Command (SOCOM). He has served as the Executive Director of the General H. Hugh Shelton Leadership Center at North Carolina State University since January 2002. From January 2002 until April 2006, General (Ret.) Shelton served as the President, International Sales of M.I.C. Industries, an international manufacturing company. Knighted by Queen Elizabeth II in 2001 and awarded the Congressional Gold Medal in 2002, General (Ret.) Shelton is Chairman of the Board of Directors of Red Hat, Inc. He has also served as a director of Anheuser-Busch Companies, Inc., CACI International Inc., Protective Products of America, Inc. and Anteon International.
Michael T. Strianese	57	Director since October 2006. Member of the Executive Committee. Chairman, President and Chief Executive Officer. Mr. Strianese became Chairman on October 7, 2008 and has served as President and Chief Executive Officer since October 2006. Until February 2007, Mr. Strianese was also our Corporate Ethics Officer. He was our interim Chief Executive Officer and Chief Financial Officer from June 2006. Mr. Strianese became Chief Financial Officer in March 2005. From March 2001 to March 2005 he was our Senior Vice President Finance. He joined us in April 1997 as Vice President Finance and Controller and was our Controller until July 2000.

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Name	Age	Principal Occupation And Other Information
John P. White	76	Director since October 2004. Member of the Nominating/Corporate Governance and Compensation Committees. Dr. White retired in September 2011, after having served for fifteen years in various capacities at Harvard University, including, most recently, as the Robert and Renée Belfer Lecturer at the John F. Kennedy School of Government. Dr. White was also the leader of then President-elect Obama's transition team for the Department of Defense. Dr. White has had a long history of government service, including serving as U.S. Deputy Secretary of Defense; Deputy Director of the Office of Management and Budget; Assistant Secretary of Defense, Manpower, Reserve Affairs and Logistics; Chairman of the Commission on Roles and Missions of the Armed Forces; and a member of the Missile Defense Advisory Committee of the U.S. Department of Defense.

Class III Directors Whose Terms Expire in 2015

Name	Age	Principal Occupation And Other Information
Lewis Kramer	65	Director since July 2009. Member of the Audit and Compensation Committees. Mr. Kramer was a partner at Ernst & Young from 1981 until he retired in June 2009 after a nearly 40-year career at Ernst & Young. At the time of his retirement, Mr. Kramer served as the Global Client Service Partner for worldwide external audit and all other services for major clients, and served on the firm's United States Executive Board. He previously served as Ernst & Young's National Director of Audit Services.
Robert B. Millard	62	Director since April 1997. Lead Independent Director of the Board of Directors and Chair of the Compensation and Executive Committees. Mr. Millard is currently the Managing Partner of Realm Partners LLC. He held various positions, including Managing Director, at Lehman Brothers and its predecessors from 1976 to 2008. Mr. Millard is also a director of GulfMark Offshore, Inc. and Evercore Partners Inc. He is also a current member of the Council on Foreign Relations.
Arthur L. Simon	81	Director since April 2001. Member of the Audit and Nominating/Corporate Governance Committees. Mr. Simon is an independent consultant. Before his retirement, Mr. Simon was a partner at Coopers & Lybrand LLP, Certified Public Accountants, from 1968 to 1994. He is also a director of Loral Space & Communications Inc.

For a discussion of the specific experience, qualifications, attributes and skills that led the Board of Directors to conclude that each of the Company's continuing directors and its nominees for director, Claude R. Canizares, Thomas A. Corcoran, Lloyd W. Newton, Alan H. Washkowitz and Vincent Pagano, Jr., should serve on the Board of Directors, see "The Board of Directors and Certain Governance Matters Board of Directors Composition" beginning on page 32.

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PROPOSAL 2. APPROVAL OF THE AMENDMENT TO THE L-3 COMMUNICATIONS HOLDINGS, INC. AMENDED AND RESTATED 2008 LONG TERM PERFORMANCE PLAN

The L-3 Communications Holdings, Inc. 2008 Long Term Performance Plan was originally adopted effective April 29, 2008 and an amendment was subsequently approved by shareholders on April 27, 2010 (as amended, the 2008 Plan). On March 5, 2013, the Board of Directors authorized and approved an additional amendment to the 2008 Plan (as amended, the Amended and Restated Plan), which approval is subject to shareholders approving this Proposal 2. The principal purpose of the amendment is to (i) amend the plan to include all future equity issuances to non-employee directors under the 2008 Plan instead of through the L-3 Communications Holdings, Inc. 2008 Directors Stock Incentive Plan (the 2008 DSIP), a separate equity plan currently used solely for non-employee directors, (ii) increase the number of shares authorized for issuance under the 2008 Plan by 6,500,000 shares, (iii) include revised limits on the amount of annual equity grants to employees and include new limits on the amount of annual equity grants to non-employee directors and (iv) modify the way that shares issued under full value awards granted under the 2008 Plan are counted for purposes of calculating the number of authorized shares that have been issued, as further described below. In addition, the amendment to the 2008 Plan is intended to allow the Compensation Committee of the Company s Board of Directors (the Committee) to make awards that may satisfy the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended from time to time (the Internal Revenue Code) with respect to certain performance-based awards that may be granted under the 2008 Plan, and to expand the scope of the performance measures that may be utilized for these awards. The Company is not seeking to make any other material changes to the terms of the 2008 Plan at this time. If the Amended and Restated Plan is approved by shareholders at the 2013 Annual Meeting, it will become immediately effective as of the date of the 2013 Annual Meeting and the Company will cease issuing new awards under the 2008 DSIP. If shareholders do not approve the Amended and Restated Plan, the 2008 Plan and 2008 DSIP will each continue in effect until 2018.

Besides the 2008 Plan and the 2008 DSIP, the only equity compensation plan maintained by the Company under which future awards are authorized for issuance is the L-3 Communications Corporation 2009 Employee Stock Purchase Plan (the 2009 ESPP). For additional information concerning the terms under which shares can be purchased under the 2009 ESPP and the number of shares available for future issuance under the 2009 ESPP, see Note 18 to the audited consolidated financial statements included in L-3 s 2012 Annual Report on Form 10-K.

The purpose of the Amended and Restated Plan is to benefit the Company s shareholders by encouraging high levels of performance by individuals who contribute to the success of the Company and its subsidiaries and to enable the Company and its subsidiaries to attract, motivate, retain and reward talented and experienced individuals. This purpose is to be accomplished by providing eligible individuals with an opportunity to obtain or increase a proprietary interest in the Company and/or by providing eligible individuals with additional incentives to join or remain with the Company and its subsidiaries. A copy of the Amended and Restated Plan, which is marked to show the changes made to the 2008 Plan, is attached hereto as Exhibit A.

As of February 25, 2013, a total of 12,713,817 and 312,995 shares were authorized for issuance under the 2008 Plan and the 2008 DSIP, respectively, of which 1,211,511 and 265,552 shares remained available for issuance under future awards. If shareholders approve the Amended and Restated Plan, no new awards would be issuable under the 2008 DSIP, and the total number of shares authorized for issuance under the 2008 Plan would be increased by 6,500,000 shares. As a result, 19,213,817 shares would be authorized for issuance under the Amended and Restated Plan, of which 7,711,511 shares would be available for issuance under future awards. This amount excludes any shares that would become available again under the Amended and Restated Plan in connection with expired, cancelled, terminated or forfeited awards on or after February 26, 2013. We expect that if the Amended and Restated Plan is approved by our shareholders, the additional shares would be sufficient to allow us to make equity awards in the amounts we believe are necessary to attract, motivate, retain and reward talented and experienced individuals for the next two to three years. Unless terminated earlier by the Company s Board of Directors, the Amended and Restated Plan will terminate on April 29, 2023.

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Under the 2008 Plan, shares issued under full value awards (i.e., all awards other than stock options or stock appreciation rights (SARs)) granted on or after March 1, 2010 count as 2.60 shares for purposes of calculating the number of shares that remain available for future awards under the plan. As of February 25, 2013, a maximum of 465,965 shares were available for issuance under full value awards to be granted in the future. If shareholders approve the Amended and Restated Plan, shares issued under full value awards granted on or after February 26, 2013 would count as 3.69 shares against the remaining share reserve. Accordingly, if shareholders approve the Amended and Restated Plan, of the 7,711,511 shares that would be available for issuance under future awards, a maximum of 2,089,840 shares would be available for issuance under full value awards. This amount excludes the effect of any shares that would become available again under the Amended and Restated Plan in connection with expired, cancelled, terminated or forfeited awards on or after February 26, 2013.

On February 20, 2013, we granted equity awards under which a total of 1,454,040 shares may be issued under the 2008 Plan to employees, including 712,348 shares that may be issued under full value awards. We have not granted, nor do we currently expect to grant, any other equity awards to employees in 2013. Based on our current projections, without shareholder approval of the Amended and Restated Plan, we will likely not be able to grant the full number of equity awards in 2014 that we believe is necessary to continue to attract, motivate, retain and reward talented and experienced employees.

As of February 25, 2013, our non-employee directors hold an aggregate of 44,983 restricted stock units. On March 15, 2013, we expect to grant dividend equivalents to our non-employee directors on their outstanding restricted stock units in the form of additional restricted stock units under the 2008 DSIP that have an aggregate grant date fair value of \$24,741. Assuming the per share closing price of L 3 s Common Stock on March 15, 2013 is \$75.00, the Company would grant a total of approximately 330 restricted stock units under the 2008 DSIP on that date. The Company will not grant any other equity awards under the 2008 DSIP prior to the 2013 Annual Meeting, and, as stated above, will cease issuing new awards under the 2008 DSIP in the event the Amended and Restated Plan is approved by shareholders at the 2013 Annual Meeting.

Whether or not shareholders approve the Amended and Restated Plan, from and after the date of the annual meeting, we expect to grant the following additional equity awards to our non-employee directors for the remainder of 2013: (1) restricted stock units to each of our non-employee directors on the date of the 2013 Annual Meeting having a grant date fair value of \$120,000 per director, and (2) additional restricted stock units, as quarterly dividend equivalents, to the non-employee directors on their restricted stock units then outstanding on June 15, September 15 and December 15 of 2013. Assuming the per share closing price of L-3 s Common Stock is \$75.00 per share for the remainder of the year, we would grant approximately 17,500 restricted stock units in 2013 from and after the date of the 2013 Annual Meeting.

As of February 25, 2013, a total of 7,758,630 shares were issuable in respect of outstanding awards under all equity compensation plans maintained by the Company, including the 2008 LTTPP, the 2008 DSIP and other equity compensation plans under which no new awards are authorized for issuance (the Prior Plans). Of these shares, a total of 5,546,636 shares were issuable in respect of stock options with a weighted average exercise price of \$77.06 and a weighted average remaining contractual term of 6.4 years. The remaining 2,211,994 shares were issuable in respect of restricted stock units and performance units based on the assumption that the maximum levels of performance applicable to the performance units will be achieved.

The total number of shares issuable under awards we have granted under the 2008 Plan, the 2008 DSIP and the Prior Plans as a percentage of our annual weighted average common shares outstanding (commonly referred to as the burn rate) has been on average 1.39% over the last three completed fiscal years and 1.35% over the last five completed fiscal years. This calculation is based on the amounts of shares issuable under awards as of the dates they were granted, and not as adjusted, in the case of awards outstanding as of July 17, 2012, to reflect the effect of the Company s spin-off of Engility Holdings, Inc. (Engility) as described in Outstanding Equity Awards at Fiscal Year End 2012 beginning on page 77.

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Over the last five completed fiscal years, we have repurchased substantially more shares than we have issued, with the net impact being an average annual reduction of 6.19% and 5.03% in our weighted average common shares outstanding over the last three and five completed fiscal years, respectively.

The Amended and Restated Plan is hereby proposed for approval by the shareholders. The affirmative vote of a majority of the votes cast at the Annual Meeting is required to approve the Amended and Restated Plan, provided that the total number of votes cast on the proposal must also represent a majority of all shares of Common Stock entitled to vote on the proposal. Abstentions and broker non-votes will have no effect on the outcome of this proposal, provided that the total number of votes cast on the proposal must also represent a majority of all shares of Common Stock entitled to vote on the proposal.

Description of the Amended and Restated Plan

Eligibility

Awards under the Amended and Restated Plan may be granted to any employee, including any officer, of the Company or any of its subsidiaries, or to any non-employee director or other individual who provides services to or on behalf of the Company or any of its subsidiaries, subject to the discretion of the Committee to determine the particular employees, non-employee directors and other individuals who, from time to time, will be selected to receive awards. As of December 31, 2012, we employed approximately 51,000 full-time and part-time employees, and nine non-employee directors served on our Board of Directors.

Types of Awards

Awards under the Amended and Restated Plan may be in the form of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock and other share-based awards, such as performance-based awards. Awards may be granted singly or in combination with other awards, consistent with the terms of the Amended and Restated Plan. Each award will be evidenced by an award agreement entered into between the Company and the recipient setting forth the specific terms and conditions applicable to that award. Awards under the Amended and Restated Plan generally will be nontransferable by a holder (other than by will or the laws of descent and distribution) and rights thereunder generally will be exercisable during the holder's lifetime only by the holder. The maximum term of any unvested or unexercised non-qualified stock options, incentive stock options or SARs under the Amended and Restated Plan is ten years from the initial grant date.

Stock options authorized under the Amended and Restated Plan are rights to purchase a specified number of shares of the Common Stock at an exercise price of not less than the fair market value of the Common Stock on the grant date during the period set forth in the individual participant's award agreement. The fair market value of the underlying shares of Common Stock as of March 1, 2013 was \$76.40 per share. Dividends and dividend equivalents may not be paid on unissued shares underlying option awards. Stock options that are granted as incentive stock options will be granted with such additional terms as are necessary to satisfy the applicable requirements of Section 422 of the Internal Revenue Code. The fair market value of the Common Stock for which incentive stock options are exercisable for the first time by an optionee during any calendar year cannot exceed \$100,000 (measured as of the grant date) under current tax laws. Other awards are not limited in this manner.

SARs may be granted on a freestanding basis, in relation to a stock option or in tandem with a stock option, such that the exercise of either the option or the SAR cancels the recipient's rights under the tandem award with respect to the number of shares so exercised. SARs entitle the recipient to receive, upon exercise of the SAR, an amount (payable in cash and/or Common Stock or other property) equal to the amount of the excess, if any, of the fair market value of a share of the Common Stock on the date the SAR is exercised (or some lesser ceiling amount) over the base price of the SAR (or the exercise price of an option, if the SAR is granted in tandem with an option), which cannot be less than the fair market value of a share of the Common Stock on the date the SAR was awarded (or the exercise price of a related stock option). Dividends and dividend equivalents may not be paid on unissued shares underlying SARs.

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Restricted stock is Common Stock issued to the recipient, typically for minimal lawful consideration and subject to certain risks of forfeiture and restrictions and limitations on transfer, the vesting of which may depend on individual or corporate performance, continued service or other criteria.

Other incentive awards might include minimum ownership stock, phantom stock or units, performance stock or units, bonus stock or units, dividend equivalent units, similar securities or rights and other awards payable in or with a value derived from or a price related to the fair market value of the Common Stock, payable in Common Stock and/or cash, all on such terms as the Committee may approve. Such awards may be granted, become vested or be payable based upon the continued employment of a participant, or upon the attainment of specified corporate or individual performance goals (as in the case of performance stock or units).

Under Section 162(m) of the Internal Revenue Code (Section 162(m)), the Company may not deduct certain compensation over \$1,000,000 in any year to the Chief Executive Officer or any of the three other most highly compensated executive officers of the Company, other than the Chief Financial Officer, unless, among other things, this compensation qualifies as performance-based compensation under Section 162(m), and the material terms of the plan for such compensation are approved by shareholders. With reference to awards intended to qualify as performance-based compensation under Section 162(m), the material terms of the Amended and Restated Plan include the eligible class of participants, the performance goal or goals and the maximum annual amount payable thereunder to any individual participant. The Committee may also approve compensation that does not qualify for a deduction under Section 162(m) if it determines that it is appropriate to do so in light of other competing interests and goals, such as the attraction and retention of key executives.

The eligible class of persons for performance-based awards under the Amended and Restated Plan is all employees of the Company and its subsidiaries. Awards that are intended to qualify as performance-based awards under the Amended and Restated Plan (other than stock options and SARs) may be granted only in accordance with the performance-based requirements of Section 162(m), as set forth below.

The performance goals for performance-based awards under the Amended and Restated Plan are any one or a combination of the following: (i) consolidated income before or after taxes (including income before interest, taxes, depreciation and amortization); (ii) EBIT or EBITDA; (iii) operating income or operating margin; (iv) book value per share of Common Stock; (v) expense management (including without limitation, total general and administrative expense percentages); (vi) improvements in capital structure; (vii) profitability of an identifiable business unit or product; (viii) maintenance or improvement of profit margins; (ix) stock price; (x) market share; (xi) revenue or sales (including, without limitation, net loans charged off and average finance receivables); (xii) costs (including, without limitation, total general and administrative expense percentage); (xiii) orders; (xiv) working capital; (xv) total debt (including, without limitation, total debt as a multiple of EBIT or EBITDA); (xvi) cash flow or net funds provided; (xvii) net income or earnings per share; (xviii) return on equity; (xix) return on investment or invested capital; and (xx) total shareholder return or any other performance goal that the Committee in its sole discretion establishes in accordance with the requirements of Section 162(m). Specific performance periods (which may overlap with performance periods under outstanding performance-based awards), weightings of more than one performance goal and target levels of performance upon which actual payments will be based, as well as the award levels payable upon achievement of specified levels of performance, will be determined by the Committee not later than the applicable deadline under Section 162(m) and in any event at a time when achievement of such targets is substantially uncertain. These variables may change from award to award. To the extent set forth in an individual participant's award agreement, appropriate adjustments to the performance goals and targets in respect of performance-based awards may be made by the Committee based upon objective criteria in the case of (i) a change in corporate capitalization, a corporate transaction or a complete or partial corporate liquidation, (ii) any extraordinary gain or loss under generally accepted accounting principles or (iii) any material change in accounting policies or practices affecting the Company and/or the performance goals or targets.

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The Committee must certify the achievement of the applicable performance goals and the actual amount payable to each participant under the performance-based awards prior to payment. The Committee may retain discretion to reduce, but not increase, the amount payable under a performance-based award to any participant, notwithstanding the achievement of targeted performance goals. Awards may be accelerated in the event of the employee's death or permanent disability, or in the event of a Change in Control of the Company as described below.

The Committee also has the authority to grant awards under the Amended and Restated Plan in substitution for or as the result of the assumption of stock incentive awards held by employees of other entities who become employees of the Company or a subsidiary as a result of a merger or acquisition of the entity.

Awards may be granted in connection with the surrender or cancellation of previously granted awards, or may be amended, under such terms and conditions, including numbers of shares and exercise price, exercisability or termination, that are the same as or different from the existing awards, all as the Committee may approve, except that no such grant or amendment may effect a repricing of the original award.

Administration; Change in Control

The Amended and Restated Plan provides that it shall be administered by the Committee (or subcommittee thereof) or another committee of the Board of Directors, constituted so as to permit awards under the Amended and Restated Plan to comply with the non-employee director provisions of Rule 16b-3 under the Exchange Act and the outside director requirements of Section 162(m). The Committee has the authority within the terms and limitations of the Amended and Restated Plan to designate recipients of awards, determine or modify (so long as it does not effect a repricing of the original award) the form, amount, terms, conditions, restrictions, and limitations of awards, including vesting provisions (subject to applicable limitations described below with respect to restricted stock), terms of exercise of an award, expiration dates and the treatment of an award in the event of the retirement, disability, death or other termination of a participant's employment with the Company, and to construe and interpret the Amended and Restated Plan. Such authority includes (subject to the limitations of the Amended and Restated Plan) the discretion to accelerate vesting, extend the term or waive termination provisions or other restrictive conditions of outstanding awards.

The Committee is authorized to include specific provisions in award agreements relating to the treatment of awards in the event of a Change in Control of the Company and is authorized to take certain other actions in such an event. Change in Control under the Amended and Restated Plan is defined generally to include: (i) a change in ownership involving a majority of the outstanding voting securities of the Company, (ii) a sale of all or substantially all of the assets of the Company or L-3 Communications Corporation or any successor thereto, (iii) the consummation of a merger, combination, consolidation, recapitalization, or other reorganization of the Company with one or more other entities that are not subsidiaries, if as a result of such reorganization, less than 50 percent of the outstanding voting securities of the surviving or resulting corporation are beneficially owned by the shareholders of the Company immediately prior to such event; (iv) certain changes, during any period of 24 months or less, of 50 percent or more of the members of its Board of Directors, or (v) in the Committee's sole discretion on a case-by-case basis with respect to outstanding awards to affected employees, the sale of a subsidiary, division or business unit.