

GLOBECOMM SYSTEMS INC

Form DEF 14A

October 08, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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

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

**Check the appropriate box:**

- o Preliminary Proxy Statement  o Confidential, for Use of the Commission Only  
(as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to Rule 14a-12

**GLOBECOMM SYSTEMS INC.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, If Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o 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:

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 240.0-11 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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**GLOBECOMM SYSTEMS INC.**

**45 Oser Avenue  
Hauppauge, New York 11788**

**Notice of Annual Meeting of Stockholders  
November 18, 2010**

The Annual Meeting of Stockholders of Globecomm Systems Inc. (the Company) will be held at the principal executive offices of the Company, 45 Oser Avenue, Hauppauge, New York 11788 on November 18, 2010, at 10:00 a.m. (Eastern Standard Time) (the Annual Meeting) for the following purposes:

- (1) To elect eight directors to serve until the next annual meeting or until their respective successors shall have been elected and qualified;
- (2) To ratify the appointment of Ernst & Young LLP as independent registered public accounting firm of the Company for the fiscal year ending June 30, 2011; and
- (3) To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Only stockholders of record at the close of business on September 28, 2010 will be entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement thereof. A list of stockholders eligible to vote at the Annual Meeting will be available for inspection at the Annual Meeting and for a period of ten days prior to the Annual Meeting between the hours of 9:00 a.m. and 5:00 p.m. at the principal executive offices of the Company at the address above.

We are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials stockholders via the Internet. We believe that the e-proxy process expedites shareholders receipt of proxy materials and lowers the cost and reduces the environmental impact of our annual meeting of stockholders. Accordingly, we have mailed to our stockholders of record and beneficial owners a Notice Regarding the Availability of Proxy Materials (the Notice) containing instructions on how to access the attached Proxy Statement and our Annual Report to Stockholders for the fiscal year ended June 30, 2010 (the Annual Report) via the Internet and how to vote online. This Notice also contains instructions on how you can receive a paper copy of the proxy materials. If you elect to receive a paper copy of our proxy materials, our Annual Report will be mailed to you along with this Proxy Statement.

The Notice is being mailed to our stockholders beginning on or about October 8, 2010. The attached Proxy Statement is being made available to our shareholders beginning on or about October 8, 2010.

Whether or not you expect to attend the Annual Meeting, your proxy vote is important to the Company. To vote your shares, you can use the Internet as described in the Notice, in the attached Proxy Statement and on your proxy card; call the toll-free telephone number as described in the Notice, in the attached Proxy Statement and on your proxy card; or complete, sign and date your proxy card and return your proxy card by mail in the enclosed envelope, which

requires no additional postage if mailed in the United States or Canada, or vote by telephone or over the Internet as described on the enclosed proxy card.

By Order of the Board of Directors

Paul J. Johnson  
Secretary

October 8, 2010

**IT IS IMPORTANT THAT THE ENCLOSED PROXY CARD  
BE COMPLETED AND RETURNED PROMPTLY.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2010 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 18, 2010: The Company's Proxy Statement for the 2010 Annual Meeting of Stockholders and the Annual Report to Stockholders for the fiscal year ended June 30, 2010 are available at <http://phx.corporate-ir.net/phoenix.zhtml?c=77373&p=proxy>.**

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**GLOBECOMM SYSTEMS INC.**

**45 Oser Avenue  
Hauppauge, New York 11788**

**PROXY STATEMENT  
October 8, 2010**

**GENERAL INFORMATION**

This proxy statement is furnished to stockholders of record of Globecomm Systems Inc. (the Company, we, us or our) as of September 28, 2010, in connection with the solicitation of proxies by the board of directors of the Company (the Board of Directors) for use at the Annual Meeting of Stockholders to be held at the principal executive offices of the Company at 45 Oser Avenue, Hauppauge, New York 11788 on November 18, 2010, at 10:00 a.m. (eastern standard time) (the Annual Meeting).

As permitted by the Securities and Exchange Commission rules, the Company is making this proxy statement and its annual report available to its stockholders electronically via the Internet. On October 8, 2010, we mailed to our stockholders of record and beneficial owners as of the close of business on September 28, 2010 a Notice Regarding the Availability of Proxy Materials (the Notice) containing instructions on how to access this proxy statement and our Annual Report to Stockholders for the fiscal year ended June 30, 2010 (the Annual Report), online. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy statement and Annual Report. The Notice also instructs you on how you may submit your proxy over the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained in the Notice.

The mailing address of the principal executive offices of the Company is 45 Oser Avenue, Hauppauge, New York 11788.

**Stockholders Entitled to Vote**

The Company has only one class of voting securities outstanding, its common stock, par value \$0.001 per share (the Common Stock). All stockholders of record at the close of business on September 28, 2010 are entitled to vote at the meeting. At the close of business on September 28, 2010, a total of 22,123,143 shares of Common Stock were outstanding. Each record holder of shares of Common Stock is entitled to one vote per share. A list of stockholders eligible to vote at the Annual Meeting will be available for inspection at the Annual Meeting and for a period of ten days prior to the Annual Meeting between 9:00 a.m. and 5:00 p.m. at the principal executive offices of the Company at the address specified above. Each share is entitled to one vote on all matters that properly come before the meeting.

**Voting Procedures**

If you are the record holder of your shares, you can vote in person at the meeting or by proxy in one of the following three ways:

1. *Vote by Mail:* If you received your proxy materials by mail, you can vote by mail by completing, signing, dating and mailing the enclosed proxy card in the postage-paid envelope.





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2. *Vote by Telephone:* Call the toll-free number 1-800-690-6903. You will need to provide the control number printed on your proxy card, and follow the instructions on your card and the voice prompts.
3. *Vote over the Internet:* Go to the website [www.proxyvote.com](http://www.proxyvote.com). You will need to provide the control number printed on your proxy card, and follow the instructions on your card and the website.

If you vote by telephone or over the Internet, do not return your proxy card.

If you are not the record holder of your shares (i.e., they are held in street name by a broker, bank or other nominee), you will receive instructions from the record holder asking you how you wish to vote. Telephone and Internet voting will be offered by most brokers and banks. Please refer to the proxy card and other information provided by the record holder to see which voting options are available to you. If you wish to vote your shares in person at the meeting, you must first obtain a proxy issued in your name from the record holder.

## **Voting of Proxies**

All valid proxies received prior to the meeting will be voted in accordance with the instructions specified by the stockholder. If a proxy card is returned without instructions, the persons named as proxy holders on your proxy card will vote in accordance with the recommendations of the Board of Directors, which are as follows:

**FOR** election of the nominated directors (Proposal 1) and

**FOR** ratification of Ernst & Young LLP, as independent registered public accounting firm of the Company (Proposal 2).

With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by the Board of Directors or, if no recommendation is given, in their own discretion.

## **Changing Your Vote**

A proxy may be revoked at any time prior to its being voted by delivering written notice to the Secretary of the Company, by delivering a properly executed later-dated proxy (including by telephone or over the Internet), or by voting in person at the meeting.

## **Quorum**

The presence, in person or by proxy, of the stockholders of a majority of the shares entitled to vote at the meeting constitutes a quorum for the transaction of business.

## **Vote Required**

Assuming a quorum is present:

Directors will be elected by a plurality of the votes cast in person or by proxy at the meeting.

The proposal to ratify the appointment of Ernst & Young LLP, as independent registered public accounting firm of the Company, requires the affirmative vote of a majority of the votes cast in person or by proxy at the meeting.



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**Effect of Abstentions**

If you vote abstain (rather than vote for or against ) with respect to a proposal, your shares will count as present for purposes of determining whether a quorum is present but not for the purposes of determining the number of votes cast with respect to a particular proposal.

**Effect of Broker Non-Votes**

Depending on the proposal, your shares may be voted if they are held in the name of a brokerage firm, even if you do not provide the brokerage firm with voting instructions. Brokerage firms, which are members of the New York Stock Exchange (the NYSE ), have the authority under the NYSE rules to cast votes on certain routine matters if they do not receive instructions from their customers. The proposal to ratify the appointment of the independent registered public accounting firm (Proposal 2) is considered a routine matter for which brokerage firms may vote shares without receiving voting instructions. Brokerage firms do not have authority under the NYSE rules to vote on non-routine matters. The election of directors (Proposal 1) is a non-routine matter. If you do not provide the brokerage firm with voting instructions on this proposal, your shares will not be voted on and are called broker non-votes. If any broker non-votes occur at the meeting with respect to your shares, the broker non-votes will count for purposes of determining whether a quorum is present but not for purposes of determining the number of votes cast with respect to a particular proposal.

**Table of Contents****PROPOSAL 1****ELECTION OF DIRECTORS****Nominees for Election**

The Board of Directors has nominated for election to the Board of Directors the eight persons named below to serve until the next annual meeting of stockholders or until their successors have been elected and qualified.

The number of directors who currently serve on the Board of Directors is eight. Each of the current directors has been nominated for, and has agreed to stand for, re-election. The Board of Directors may fill any current or future vacancy upon identification of a qualified candidate.

The Board of Directors recommends that you vote in favor of the election of each of the nominees named below as directors of the Company to serve until the next annual meeting of stockholders, and the persons named as proxies in the enclosed proxy will vote the proxies received by them for the election of each of the nominees unless otherwise specified on those proxies. All of the nominees have indicated a willingness to serve as directors, but if any nominee becomes unavailable to serve before the election, the shares represented by valid proxies will be voted in favor of the remaining nominees unless the Board of Directors nominates a substitute, in which case the proxies may be voted for the substitute.

The name, age, business experience, director qualifications and certain other information regarding each of the nominees for director are set forth on the following pages.

| <b>Director Nominee</b>  | <b>Age</b> | <b>Position with the Company</b>      | <b>Director Since</b> |
|--------------------------|------------|---------------------------------------|-----------------------|
| David E. Hershberg       | 73         | Chairman and Chief Executive Officer  | 1994                  |
| Keith A. Hall            | 41         | President and Chief Operating Officer | 2009                  |
| Richard E. Caruso        | 64         | Director <sup>(1)(2)(3)(5)</sup>      | 2000                  |
| Harry L. Hutcherson, Jr. | 68         | Director <sup>(1)(4)(5)</sup>         | 2003                  |
| Brian T. Maloney         | 56         | Director <sup>(1)(2)(3)(4)(5)</sup>   | 2002                  |
| Jack A. Shaw             | 71         | Director <sup>(2)(3)(4)(5)</sup>      | 2004                  |
| A. Robert Towbin         | 75         | Director <sup>(5)</sup>               | 1997                  |
| C. J. Waylan             | 69         | Director <sup>(1)(2)(3)(4)(5)</sup>   | 1997                  |

(1) Member of Audit Committee.

(2) Member of Compensation Committee.

(3) Member of Nominating and Corporate Governance Committee.

(4) Member of Strategy Committee.

(5)

The Board of Directors has determined, based on written inquiries, that these directors are independent as defined in Section 5605(a)(2) of the NASDAQ Stock Market Rules.

*David E. Hershberg* founded the Company in 1994 and has been its Chief Executive Officer and Chairman of the Board of Directors since its inception. In addition, Mr. Hershberg was President of the Company from September 2008 to June 2009. From 1976 to 1994, Mr. Hershberg was the President of Satellite Transmission Systems, Inc. ( STS ), a provider of satellite ground segment systems and networks, which he founded and which became a subsidiary of California Microwave, Inc. ( CMI ), and is currently part of Narda Satellite Networks, a subsidiary of L3 Communications Corporation. From 1990 to 1994, Mr. Hershberg also served as Group President of the Satellite Communications Group of CMI, where he

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also had responsibility for EFData, Inc., a manufacturer of satellite communications modems, and for Viasat Technology Corp., a manufacturer of communications systems that specialized in portable and mobile satellite communications equipment. Mr. Hershberg was a director of Primus Telecommunications Group, Inc. ( Primus ) from 1995 to 2009. Mr. Hershberg holds a B.S. in Electrical Engineering from Rensselaer Polytechnic Institute, an M.S. in Electrical Engineering from Columbia University and an M.S. in Management Science from Stevens Institute of Technology.

Mr. Hershberg brings to the Board of Directors nearly 50 years of experience in the satellite communications industry. As the founder of the Company, he adds in-depth knowledge, strong leadership capabilities, strategic planning and mergers and acquisitions experience, an understanding of a broad range of technologies and operating expertise. He has founded or was responsible for several satellite communication companies becoming successful. During his 18 years as President and Chief Executive Officer of STS, the company became the global leader and premier company in the field of satellite communications ground station systems. Mr. Hershberg's prior experience on the Primus board of directors provides the Company with in-depth knowledge on proper board oversight, including valuable perspectives and insights from his prior service on the Primus compensation committee. As an industry pioneer, he serves on numerous industry panels and speaks at many satellite communication conferences.

*Keith A. Hall* has been President and Chief Operating Officer of the Company since July 2009, and was appointed as a director in July 2009. From June 2008 to June 2009, Mr. Hall served as Senior Vice President and General Manager of Globecomm Network Services, which includes Globecomm Network Services Corporation and Globecomm Services Maryland LLC. From 2003 to June 2008, he served as Vice President and General Manager of Globecomm Network Services Corporation. Mr. Hall served as Senior Director of Project Management of Globecomm Network Services Corporation from 2000 to 2003. From 1996 to 1999, Mr. Hall was employed by Globecomm Systems as a Senior Project Engineer. From 1992 to 1996, Mr. Hall was employed by STS as a Systems Engineer. Mr. Hall holds a B.S.E.E. from Auburn University and an M.B.A. from Dowling College.

As President and Chief Operating Officer of the Company, Mr. Hall brings to the Board of Directors business leadership, strategic planning and acquisition and operating experience. With over 18 years of knowledge of the satellite communications industry and his prior role serving as the Company's Senior Vice President and General Manager of the Company's Network Services, he has extensive experience in the growing satellite services portion of the Company's business.

*Richard E. Caruso* has been a senior executive in the telecommunications and consulting industries. He is currently Vice President of Business Development of GlobalLogic, a research and development services company. Mr. Caruso served as Managing Director, Communications Industry of Tata Consulting Services, an information technology consulting and outsourcing company, during 2008. From 2004 to 2007, Mr. Caruso was Managing Director, Technology, Communications & Media Industries of BearingPoint, Inc., a provider of business consulting, systems integration and managed services. From 2001 to 2003, Mr. Caruso was a Senior Partner at TechLeaders Consulting, LLC, an information technology consulting company. From 1999 to 2001, Mr. Caruso served as President of Hosting Solutions and Storage Networking at Nortel Networks Corporation, a global supplier of networking solutions and services. From 1994 to 1999, Mr. Caruso served as Vice President and General Manager of Global Solutions for IBM's Communications Sector. From 1983 to 1994, Mr. Caruso held various senior executive positions with Bellcore/Telcordia, including Corporate Vice President of Technology and Industry Markets. From 1969 to 1983, Mr. Caruso held various positions at AT&T Bell Labs, most recently Executive Director of the Network Provisioning Systems Lab. Mr. Caruso holds a B.S. in Industrial Engineering from Rutgers University and an M.S. in Industrial Engineering from the New Jersey Institute of Technology.

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Mr. Caruso's current role at GlobalLogic brings to the Board of Directors business leadership, strategic planning and a market perspective. His past experience at IBM, along with other senior management positions previously held at Bellcore/Telcordia and Nortel Networks, have given him extensive experience in the communications and information technology industries. This technology experience contributes to the Board of Directors' understanding of the impact of changing technology on the Company's business. Mr. Caruso also provides a global business perspective, based on his leadership at IBM. He currently serves as a member of the Company's Audit, Compensation, Nominating and Corporate Governance Committees.

*Harry L. Hutcherson, Jr.* has been affiliated with Navigant Consulting, Inc. (formerly, Peterson Consulting) as an independent contract consultant providing financial analytical and business consulting on various large projects since 1992. From 1977 through 1992, Mr. Hutcherson was an audit partner of Arthur Andersen LLP. Mr. Hutcherson is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, the Greater Washington Society of Certified Public Accountants and the Virginia State Society of Certified Public Accountants. Mr. Hutcherson holds a B.S. in Accounting from the University of Richmond.

Mr. Hutcherson brings financial expertise to the Board of Directors as a former senior partner at a major international accounting firm. With his financial analytical and business consulting experience, he also brings significant management expertise to the Board of Directors. Mr. Hutcherson was nominated to serve as a director on the Company's Board of Directors due to his extensive experience in business, finance, accounting and auditing, SEC reporting, public company management and mergers and acquisitions. Additionally, he provides the Board of Directors with consulting on risk management and fraud. He currently serves as the Chairman and financial expert of the Company's Audit Committee, and is a member of the Company's Strategy Committee.

*Brian T. Maloney* is currently an independent consultant in the technology and telecommunications industries. Mr. Maloney served as Chief Executive Officer of Ygomi LLC, a private equity firm, from October 2008 through October 2009. From May 2006 to January 2008, Mr. Maloney was President of Global Industries at Unisys Corporation, a worldwide information technology consulting services and solutions company. Prior to joining Unisys Corporation, Mr. Maloney was an independent consultant in the telecommunications industry from January 2005 to April 2006. From 2002 to September 2004, Mr. Maloney served as Chief Operating Officer for Perot Systems Corporation. From 1978 to 2002, Mr. Maloney held various positions with AT&T, most recently as Senior Vice President of AT&T, and as President and Chief Executive Officer of AT&T Solutions. Mr. Maloney received a B.S. in English from Hunter College and an M.A. in English from Columbia University.

As a former president and chief executive officer of AT&T Solutions, Mr. Maloney brings to the Board of Directors business leadership, strategic planning, human resources and operating experience from a large diversified company. Based on his past experiences at AT&T Solutions and as an independent consultant in the technology and telecommunications sector, he has extensive experience in the communications industry. Mr. Maloney also provides a global business perspective, based on his leadership role in global business operations at Unisys Corporation. Mr. Maloney's recent role at a private equity firm provides the Board of Directors with capital markets, mergers and acquisitions and corporate finance expertise. He currently serves as a member of the Company's Audit, Compensation and Strategy Committees and is Chairman of the Company's Nominating and Corporate Governance Committee.

*Jack A. Shaw* is currently retired. He held various positions at Hughes Electronics Corporation ( Hughes ) from 1998 to December 2003, most recently as its President and Chief Executive Officer and as a member of its board of directors. From 1998 to 2001, Mr. Shaw served as Senior Executive Vice President



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of Hughes. Mr. Shaw is currently a director of Sirius XM Radio Inc. ( Sirius XM ) and is a senior member of the Institute of Electrical and Electronics Engineers. He is also on the Board of Trustees of Trine University. Mr. Shaw holds a B.S. in Electrical Engineering from Purdue University.

As a former president and chief executive officer of Hughes, Mr. Shaw brings to the Board of Directors business leadership and strategic planning, mergers and acquisitions and international operating experience. With his past experience at Hughes, and as a current director of Sirius XM, a large satellite radio company and a publicly-traded company, he has extensive experience in the satellite communications industry. His current role on the Sirius XM board of directors provides the Company with in-depth knowledge on proper board oversight, as well as valuable perspectives and insights from his service on their nominating and corporate governance and compensation committees. He currently serves as a member of the Company's Compensation, Nominating and Corporate Governance and Strategy Committees.

*A. Robert Towbin* has been the Executive Vice President and Managing Director of Stephens Inc. since December 2001. From 2000 to 2001, he was Co-Chairman of C.E. Unterberg, Towbin Co. and from 1995 to 1999 was Senior Managing Director of C.E. Unterberg, Towbin. From 1994 to 1996, Mr. Towbin was President and Chief Executive Officer of the Russian-American Enterprise Fund, a U.S. government-owned investment fund, and later, Vice Chairman of its successor fund, the U.S. Russia Investment Fund. Mr. Towbin was a Managing Director of Lehman Brothers and Co-Head of High Technology Investment Banking from 1987 to 1994. From 1959 to 1987, Mr. Towbin was Vice Chairman and a Director of L.F. Rothschild, Unterberg, Towbin Holdings Inc. and its predecessor companies. Mr. Towbin served on the board of directors of Gerber Scientific, Inc. from 1992 to 2007 and North Fork Bancorporation, Inc. from 2004 to 2006. Mr. Towbin holds a B.A. from Dartmouth College.

With over 50 years of experience in investment banking, Mr. Towbin brings to the Board of Directors relevant experience in the areas of capital markets, finance, executive leadership and mergers and acquisitions and broad international business exposure. Mr. Towbin's prior experience on the board of directors of a number of other public companies provides the Company with in-depth knowledge on proper board oversight. With over 13 years of service, he also provides continuity to the Board of Directors.

*C. J. Waylan* acts as an advisor to telecommunication and satellite companies. Dr. Waylan served as Executive Vice President for GTE Mobilnet and President of GTE Spacenet Corporation (collectively, GTE ) until his retirement in 1996. From 1996 to 1997, he was Executive Vice President of NextWave Telecom, Inc., a start-up provider of wireless communications and from 1997 to 2006, he was President and Chief Executive Officer of CCI International, NV, a mobile satellite communications company. Dr. Waylan was the Chairman of the board of directors of Radyne Corporation ( Radyne ) from 2000 to 2008 and a director of CCI International, NV from 1997 to 2006. He holds a B.S. from the University of Kansas as well as an M.S. in Electrical Engineering and a Ph.D. from the Naval Postgraduate School.

Based on Dr. Waylan's prior executive officer roles at GTE, he brings to the Board of Directors industry experience, business leadership, strategic planning, human resources and mergers and acquisitions and operating experience. As a former chairman of the board of directors of Radyne, a publicly-traded company, Dr. Waylan brings to the Board of Directors relevant experience in the areas of operations, management, finance, executive leadership, strategic planning and corporate governance. He also brings to the Board of Directors valuable perspectives and insights from his prior service on Radyne's corporate governance and nominating committee and compensation committee. With over 13 years of service, he also provides continuity to the Board of Directors. He currently serves as a member of the Company's Audit, Compensation and Nominating and Corporate Governance Committees, and is the Chairman of the Company's Strategy Committee.



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**The Board of Directors recommends a vote FOR each of the eight nominees.**

**Information About the Board of Directors and Committees**

**Risk Oversight.** Our Board of Directors as a whole is responsible for overseeing the Company's risk management process. The Board of Directors focuses on the Company's general risk management strategy and the most significant risks facing the Company, and seeks to ensure that appropriate risk mitigation strategies are implemented by management. The Board of Directors has principally delegated responsibility for the management of the Company's risk management process to the Audit Committee. The Company has recently enhanced its risk management processes, and risk management will be a recurring Audit Committee and Board of Directors quarterly agenda item, and is considered part of strategic planning.

Among other duties, the Audit Committee reviews with management (a) Company processes with respect to risk assessment and management of risks that may be material to the Company, (b) the Company's system of disclosure controls and system of internal controls over financial reporting, and (c) the Company's compliance with legal and regulatory requirements, including its disclosure of the material risks associated with the Company and its industry. All committees report to the full Board of Directors as appropriate, including when a matter rises to the level of a material or enterprise level risk. The Board of Directors is also apprised of particular risk management matters in connection with its general oversight and approval of corporate matters and receives information relating to material Company risks from management and from the Company's legal and finance departments.

**Leadership Structure.** The Board of Directors and the Nominating and Corporate Governance Committee have engaged in a comprehensive review of the Company's corporate governance practices. The positions of Chairman and Chief Executive Officer are combined at the Company. The Board of Directors believes that combining the positions of Chairman and Chief Executive Officer is appropriate because the size of the Board of Directors permits regular communication among all of the independent directors, and between the independent directors and the Company's senior management. This structure allows for information to flow to the independent directors so that they can provide meaningful input during deliberations.

The Board of Directors believes that Mr. Hershberg's service as both Chairman of the Board and Chief Executive Officer is in the best interest of the Company and its shareholders. Mr. Hershberg possesses the skills, experience, and maturity in the position, along with in-depth knowledge of the issues, opportunities and challenges facing the Company and its businesses, and is thus best positioned to develop agendas that ensure that the Board of Directors time and attention are focused on the matters that are most critical to the Company and its stockholders. His combined role has produced decisive leadership, ensures clear accountability, and enhances the Company's ability to communicate its message and strategy clearly and consistently to the Company's stockholders, employees, customers and suppliers, which the Board of Directors believes makes the Company more effective. The Company does not have a lead independent director.

**Committees of the Board of Directors.** The Board of Directors currently has a standing Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Strategy Committee. Each member of the Audit, Compensation, Nominating and Corporate Governance and

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Strategy Committees is an independent director as defined in Section 5605(a)(2) of the NASDAQ Stock Market Rules. The current membership for each is as follows:

| <b>Audit Committee</b>                    | <b>Compensation Committee</b>      | <b>Nominating and Corporate Governance Committee</b> | <b>Strategy Committee</b>     |
|---|------------------------------------|--|-------------------------------|
| Harry L. Hutcherson, Jr.<br>(Chairperson) | Richard E. Caruso<br>(Chairperson) | Brian T. Maloney<br>(Chairperson)                    | C. J. Waylan<br>(Chairperson) |
| Richard E. Caruso                         | Brian T. Maloney                   | Richard E. Caruso                                    | Harry L. Hutcherson, Jr.      |
| Brian T. Maloney                          | Jack A. Shaw                       | Jack A. Shaw   | Brian T. Maloney              |
| C. J. Waylan                              | C. J. Waylan                       | C. J. Waylan   | Jack A. Shaw                  |

*Audit Committee.* The Audit Committee reviews, acts on and reports to the Board of Directors with respect to various auditing and accounting matters, including the selection of the Company's independent registered public accounting firm, the scope of the annual audits, the fees to be paid to the independent registered public accounting firm, the performance of the Company's independent registered public accounting firm and the accounting practices of the Company. The Audit Committee also serves as the Board of Directors' Qualified Legal Compliance Committee within the meaning of Section 307 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act). The Board of Directors has determined that Mr. Hutcherson is qualified as an audit committee financial expert as defined in Item 407(d)(5)(ii) of the Securities and Exchange Commission (SEC) Regulation S-K. The Board of Directors has determined that Mr. Hutcherson is independent, as defined in Section 5605(a)(2) of the NASDAQ Stock Market Rules. The Audit Committee held seven meetings during fiscal 2010.

*Compensation Committee.* The Compensation Committee makes recommendations to the Board of Directors in order to determine the salaries and incentive compensation of the executive officers and directors of the Company. The Compensation Committee also administers various incentive compensation and stock and benefit plans, including awards to directors and executive officers. The Compensation Committee held three meetings during fiscal 2010.

*Nominating and Corporate Governance Committee.* The Nominating and Corporate Governance Committee is responsible for searching for, and recommending to, the Board of Directors potential nominees for director positions, making recommendations to the Board of Directors regarding the size and composition of the Board of Directors and its committees, monitoring the Board of Directors' effectiveness and developing and implementing the Company's corporate governance procedures and policies. The Nominating and Corporate Governance Committee held two meetings during fiscal 2010.

In selecting candidates for the Board of Directors, the Nominating and Corporate Governance Committee begins by determining whether the incumbent directors whose terms expire at the annual meeting of stockholders desire and are qualified to continue their service on the Board of Directors. The Board of Directors is of the view that the continuing service of qualified incumbents promotes stability and continuity in the boardroom, giving the Company the benefit of the familiarity and insight into the Company's affairs that its directors have accumulated during their tenure, while contributing to the Board of Directors' ability to work as a collective body. Accordingly, it is the policy of the Nominating and Corporate Governance Committee, absent special circumstances, to nominate qualified incumbent directors who continue to satisfy the Nominating and Corporate Governance Committee's criteria for membership on the Board of Directors and whom the Nominating and Corporate Governance Committee believes will continue to make important contributions to the Board of Directors and who consent to stand for re-election and, if re-elected, to continue their service on the Board of Directors.



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If there are positions on the Board of Directors for which the Nominating and Corporate Governance Committee will not be re-nominating an incumbent director, or if there is a vacancy on the Board of Directors, the Nominating and Corporate Governance Committee will solicit recommendations for nominees from persons whom the Nominating and Corporate Governance Committee believes are likely to be familiar with qualified candidates, including members of the Board of Directors and senior management of the Company. The Nominating and Corporate Governance Committee may also engage a search firm to assist in the identification of qualified candidates.

The Nominating and Corporate Governance Committee will review and evaluate each candidate whom it believes merits serious consideration, taking into account all available information concerning the candidate, the existing composition and mix of talent and expertise on the Board of Directors and other factors that it deems relevant. In conducting its review and evaluation, the Nominating and Corporate Governance Committee may solicit the views of management and other members of the Board of Directors and may, if deemed helpful, conduct interviews of proposed candidates. The Nominating and Corporate Governance Committee requires that all candidates for the Board of Directors be of the highest personal and professional integrity and have demonstrated exceptional ability and judgment. The Nominating and Corporate Governance Committee will consider whether such candidate will be effective, in conjunction with the other members of the Board of Directors, in collectively serving the long-term interests of the Company's stockholders. In addition, the Nominating and Corporate Governance Committee requires that all candidates have no interests that materially conflict with those of the Company and its stockholders, have meaningful management, advisory or policy making experience, have a general appreciation of the major business issues facing the Company and have adequate time to devote to service on the Board of Directors.

The Nominating and Corporate Governance Committee, in evaluating and recommending individuals to the Board of Directors for nomination as directors, and the Board of Directors, in approving director nominees, consider, among other factors, the perceived needs of the Board of Directors and the Company at that point in time. As part of the Nominating and Corporate Governance Committee's process (in consultation with the Board of the Directors) of determining the appropriate characteristics, skills and experience required for individual directors, the Nominating and Corporate Governance Committee analyzes the abilities and business experience of each nominee in order to ensure that the Board of Directors is comprised of members with a diverse range of skills and experience; however, the Board of Directors does not have a formal policy with regard to diversity in identifying director nominees. The Company also requires that a majority of its directors be independent, that at least three of the directors have the financial literacy necessary for service on the Audit Committee and that at least one of these directors qualifies as an audit committee financial expert in accordance with rules promulgated by the SEC and NASDAQ.

The Nominating and Corporate Governance Committee will consider stockholder recommendations for candidates for the Board of Directors if such recommendations are received in writing by the Nominating and Corporate Governance Committee by the due date for stockholder proposals as indicated in the Company's proxy statement for the previous fiscal year. Such candidates will be considered using the same criteria as for other candidates, except that the Nominating and Corporate Governance Committee may consider, as one of the factors in its evaluation of stockholder recommended candidates, the size and duration of the interest of the recommending stockholder or stockholder group in the equity of the Company. A stockholder seeking to recommend a prospective nominee for the Nominating and Corporate Governance Committee's consideration should submit the candidate's name and qualifications in writing no earlier than May 11, 2011 and no later than June 10, 2011 to the Nominating and Corporate Governance

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Committee at the following address: Globecomm Systems Inc., 45 Oser Avenue, Hauppauge, NY 11788, Attention: Nominating and Corporate Governance Committee.

On August 25, 2010, the SEC adopted amendments to the federal proxy rules that will implement a new system of proxy access, under which a shareholder or group of shareholders meeting eligibility requirements can require the Company to include a limited number of director nominees proposed by the shareholder in management's proxy materials. The proxy access procedure is in addition to the director nomination procedure described in the preceding paragraphs and nomination provisions set forth in the Company's Bylaws. The proxy access rules are principally set forth in SEC Rule 14a-11, which was originally set to become effective on November 15, 2010. On September 29, 2010, the Business Roundtable and the Chamber of Commerce of the United States of America (the Petitioners) filed a petition with the US Court of Appeals for the District of Columbia Circuit (the Court) seeking a review of the proxy access and related rules. On the same date, the Petitioners filed with the SEC a motion to stay the effect of Rule 14a-11 and associated amendments pending the Court's review. On October 4, 2010, the SEC issued an order granting a stay of the proxy access and related rules, pending judicial review. Although the SEC and the Petitioners will seek expedited review of the Petitioners' challenge, the timing for the Court's review is unclear. Accordingly, it is uncertain whether the proxy access rules will be available to eligible shareholders of the Company in connection with the Company's 2011 annual meeting of shareholders.

If it is effective and available to eligible shareholders of the Company in connection with the Company's 2011 annual meeting of shareholders, Rule 14a-11 will require a company to include in its proxy materials director nominees proposed by any owner of at least 3% of the total voting power of the company's securities entitled to be voted in the election of directors who has held the securities continuously for at least three years. A nominating shareholder will be required to continue to own the required amount of securities at least through the date of the meeting at which directors are elected. Shareholders may aggregate holdings to establish sufficient ownership. The nominating shareholder or group must hold both voting and investment power, either directly or through any person acting on their behalf, in order to satisfy the 3% ownership and three continuous year holding thresholds. Nominating shareholders or groups will be required to file a new form, Schedule 14N, to provide information relating to eligibility and nominees. The notice on Schedule 14N to the company and the filing with the SEC must be made on the same day, no earlier than 150 calendar days (i.e., May 11, 2011), and no later than 120 calendar days (i.e., June 10, 2011) prior to the anniversary of the prior year's proxy material mail date. If multiple shareholders or groups submit nominations and the number of nominees surpasses the maximum number required to be included by Rule 14a-11, the nominating shareholder or group of nominating shareholders with the highest percentage of the company's voting power will have its nominee or nominees included in the company's proxy materials.

A qualifying shareholder or group may nominate the greater of one nominee and a number of nominees equal to no more than 25% (rounded down) of the Board of Directors' total membership. Any person may be nominated under the proxy access rule if that person's candidacy or, if elected, board membership would not violate controlling state, federal or foreign law, or the applicable standards of a national securities exchange or national securities association (i.e., NASDAQ, in the case of the Company), other than rules relating to director independence that rely on a subjective determination by the Board of Directors. The nominee must, however, satisfy objective independence standards of the applicable national securities exchange or national securities association.

The foregoing is a summary of the new proxy access rules, and any shareholder nominee(s) submitted pursuant to those rules will be required to meet all of the eligibility rules applicable to the nominee(s) and the nominating shareholder or nominating shareholder group.

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**Strategy Committee.** The Strategy Committee evaluates the Company's proposed acquisitions and any proposals made by third parties regarding strategic transactions relating to the Company and reviews with management the development and implementation of strategic business plans. The Strategy Committee held five meetings during fiscal 2010.

**Committee Charters.** The Company's Board of Directors has adopted charters for the Audit, Compensation and Nominating and Corporate Governance and Strategy Committees. Each committee reviews its charter for adequacy on an annual basis. These charters are available on the Company's website at [www.globecommsystems.com](http://www.globecommsystems.com) under Governance. To access, choose the Investor tab, then select Governance from the drop-down list under General Information.

**Compensation Committee Interlocks and Insider Participation.** None of the individuals on the Compensation Committee has ever been an officer or employee of the Company nor have they had any relationship with the Company that requires disclosure in this proxy statement. In addition, no executive officer of the Company served as a director or member of the compensation committee of another entity, one of whose executive officers serves as director or member of the Compensation Committee of the Company.

### **Communications with the Board of Directors.**

Stockholders and other interested parties may communicate with the Board of Directors, the non-management directors as a group, any committee of the Board of Directors or any individual member of the Board of Directors, including the Chairperson of the Nominating and Corporate Governance Committee, by either writing the Company's Corporate Secretary at 45 Oser Avenue, Hauppauge, New York 11788 or electronically mailing the Company's Corporate Secretary at [pjohnson@globecommsystems.com](mailto:pjohnson@globecommsystems.com). All communications will be reviewed by the Company's Corporate Secretary, who will then forward such communications or a summary thereof to the appropriate director(s). Any communication related to accounting, internal controls or auditing matters will be brought promptly to the attention of the Chairperson of the Audit Committee.

**Attendance at Board of Director and Committee Meetings.** During fiscal 2010, the Board of Directors held six regular meetings and one meeting of the independent directors. Directors are expected to attend all scheduled Board of Directors and committee meetings and in no event less than 75% of such meetings annually. In fiscal 2010, all directors attended 75% or more of the (i) meetings of the Board of Directors and (ii) meetings of the Board of Directors committees on which they served, except for Mr. Shaw, who missed one compensation committee meeting. The independent directors are required to have at least one regularly scheduled meeting a year without management present; in fiscal 2010 the independent directors held one meeting. All of the directors attended the Company's 2009 annual meeting of stockholders, except for Mr. Shaw.

**Code of Ethics and Business Conduct.** The Company has adopted a Code of Ethics and Business Conduct, which applies to all employees of the Company, including its principal executive officer, principal financial officer and corporate controller. A copy of the Code of Ethics and Business Conduct is available on the Company's website at [www.globecommsystems.com](http://www.globecommsystems.com) under the Investor tab; select General Information from the drop-down list and then choose Governance. The Company will disclose on its website at [www.globecommsystems.com](http://www.globecommsystems.com), in accordance with all applicable laws and regulations, amendments to, or waivers from, the Code of Ethics and Business Conduct.



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**Directors Compensation**

The compensation program for non-employee directors consists of cash retainers, committee fees, meeting fees and stock option and restricted stock awards.

From July 1, 2009 through June 30, 2010, those fees consisted of the following:

Retainer per director for service on the Board of Directors: \$40,000 per year (each director receives a payment of \$1,500 or \$750 for each in-person or telephonic meeting, respectively, which is held in addition to the scheduled quarterly meetings of the Board of Directors);

Audit Committee member: \$10,000 per year;

Audit Committee Chairperson: \$18,000 per year;

Compensation Committee member: \$4,000 per year;

Compensation Committee Chairperson: \$6,000 per year;

Nominating and Corporate Governance Committee member: \$3,000 per year;

Nominating and Corporate Governance Committee Chairperson: \$6,000 per year;

Strategy Committee member: \$3,000 per year; and

Strategy Committee Chairperson: \$6,000 per year.

These non-employee directors are also reimbursed for certain expenses incurred in connection with attendance at meetings of the Board of Directors. Directors who are also employees of the Company do not receive any compensation for their service as directors.

During fiscal 2010, Messrs. Caruso, Hutcherson, Maloney, Shaw and Towbin and Dr. Waylan were each granted a fully vested option to purchase 5,000 shares of Common Stock for their service on the Board of Directors pursuant to the Automatic Option Grant Program of the Company's 2006 Stock Incentive Plan (the 2006 Plan).

As plan administrator of the 2006 Plan, the Compensation Committee may, in its discretion grant stock from time to time to non-employee members of the Board of Directors under the stock issuance program of the 2006 Plan and grant options from time to time to non-employee members of the Board of Directors under the discretionary option grant program of the 2006 Plan, in addition to the automatic option grants provided in the 2006 Plan. The basis for such grants is the Compensation Committee's assessment of each director's contributions to the Company over the course of the year, as well as the competitiveness of the Company's overall director compensation compared to similar companies in the market. While overall director compensation was within the range of similar companies in the market, the Board of Directors expended significant additional efforts assessing and approving the Company's recent acquisitions. Based on these efforts, during fiscal 2010 Messrs. Caruso, Hutcherson, Maloney, Shaw and Towbin and Dr. Waylan were each granted 3,000 shares of the Company's restricted stock.



**Table of Contents****Directors Compensation in Fiscal 2010**

| <b>Name of Director</b><br><b>(a)</b> | <b>Fees<br/>Earned<br/>or Paid<br/>in Cash<sup>(1)</sup></b><br><b>(\$)</b><br><b>(b)</b> | <b>Option<br/>Awards<sup>(2)</sup></b><br><b>(\$)</b><br><b>(c)</b> | <b>Stock<br/>Awards<sup>(2)</sup></b><br><b>(\$)</b><br><b>(d)</b> | <b>Total</b><br><b>(\$)</b><br><b>(e)</b> |
|---------------------------------------|---|---|--|---|
| David E. Hershberg <sup>(3)</sup>     |   |   |  |   |
| Keith A. Hall <sup>(3)</sup>          |   |   |  |   |
| Harry L. Hutcherson, Jr.              | 60,000  | 16,717  | 24,000   | 100,717                                   |
| Brian T. Maloney                      | 61,875  | 16,717  | 24,000   | 102,592                                   |
| Richard E. Caruso                     | 58,000  | 16,717  | 24,000   | 98,717                                    |
| Jack A. Shaw                          | 49,250  | 16,717  | 24,000   | 89,967                                    |
| A. Robert Towbin                      | 40,250  | 16,717  | 24,000   | 80,967                                    |
| C. J. Waylan                          | 61,875  | 16,717  | 24,000   | 102,592                                   |

(1) Reflects cash retainers, committee fees and meeting fees earned by non-employee directors for services provided during fiscal 2010. The director fees are paid on a quarterly basis. The current fees were adopted effective October 1, 2009. The table below shows a breakdown of the fees for fiscal 2010.

(2) Reflects the aggregate grant date fair value for each director's grants of restricted stock and stock options in the fiscal year, determined in accordance with the Financial Accounting Standards Board ASC Topic 718. The fair value of the option awards was calculated at the time of grant using a Black-Scholes option pricing model. The stock awards are based on the closing price of the Company's common stock of \$8.00 on the Nasdaq Global Market on June 24, 2010 (the date on which the stock was awarded). The assumptions used in the valuation are discussed in Note 2 to our consolidated financial statements included in our annual report on Form 10-K for the year ended June 30, 2010.

(3) Is an employee director and, therefore, does not receive compensation for service on the Board of Directors.

The following table details the cash retainers, committee fees and meeting fees earned by non-employee directors for services provided during fiscal 2010:

| <b>Name of Director</b>  | <b>Board of<br/>Directors<br/>Fee<sup>(a)</sup></b><br><b>(\$)</b> | <b>Audit<br/>Committee<br/>Fee</b><br><b>(\$)</b> | <b>Compensation<br/>Committee<br/>Fee</b><br><b>(\$)</b> | <b>Nominating<br/>and<br/>Corporate<br/>Governance<br/>Fee</b><br><b>(\$)</b> | <b>Strategy<br/>Committee<br/>Fee<sup>(b)</sup></b><br><b>(\$)</b> | <b>Total</b><br><b>(\$)</b> |
|--------------------------|--|---|--|---|--|-----------------------------|
| Richard E. Caruso        | 39,625   | 9,750   | 5,750  | 2,875   |  | 58,000                      |
| Harry L. Hutcherson, Jr. | 39,625   | 17,500  |  |   | 2,875  | 60,000                      |
| Brian T. Maloney         | 39,625   | 9,750   | 3,875  | 5,750   | 2,875  | 61,875                      |
| Jack A. Shaw             | 39,625   |   | 3,875  | 2,875   | 2,875  | 49,250                      |

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|                  |        |       |       |       |       |        |
|------------------|--------|-------|-------|-------|-------|--------|
| A. Robert Towbin | 39,625 |       |       |       | 625   | 40,250 |
| C. J. Waylan     | 39,625 | 9,750 | 3,875 | 2,875 | 5,750 | 61,875 |

(a) There was one telephonic meeting of the Board of Directors in addition to the regularly scheduled quarterly meetings of the Board of Directors, for which an additional \$750 was paid to each director.

(b) Mr. Towbin attended one meeting of the Strategy Committee at the request of the Committee.

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The table below shows the aggregate number of stock options and restricted stock held by non-employee directors as of June 30, 2010.

| <b>Name of Director</b>  | <b>Stock Options<br/>(in shares)<sup>(1)</sup></b> | <b>Restricted<br/>Stock<br/>(in shares)<sup>(2)</sup></b> |
|--------------------------|--|---|
| Richard E. Caruso        | 20,000   | 3,000   |
| Harry L. Hutcherson, Jr. | 45,000   | 3,000   |
| Brian T. Maloney         | 57,045   | 3,000   |
| Jack A. Shaw             | 45,000   | 3,000   |
| A. Robert Towbin         | 40,000   | 3,000   |
| C. J. Waylan             | 55,000   | 3,000   |

- (1) Each of our non-employee directors is granted under our Automatic Option Grant Program of the 2006 Plan a fully vested option to purchase 5,000 shares of Common Stock of the Company on the date of each annual meeting of stockholders at which such director is re-elected to the Board of Directors.
- (2) Each of our non-employee directors was granted 3,000 shares of restricted stock of the Company during fiscal 2010.

**Table of Contents****SECURITY OWNERSHIP**

The following table sets forth certain information, as of September 28, 2010, with respect to the beneficial ownership of shares of the Company's Common Stock of (i) all stockholders known by the Company to be the beneficial owners of more than 5% of its outstanding Common Stock, (ii) each director, nominee for director and the Company's Named Executive Officers (the latter referring to the Company's Chief Executive Officer, Chief Financial Officer, the next three most highly paid executive officers, and one additional individual who served as an executive officer during the fiscal year ended June 30, 2010 and would have been among the three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer, had such individual remained an executive officer through the end of the fiscal year) and (iii) all current directors and executive officers of the Company as a group. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to shares of Common Stock.

| Name and Address of Beneficial Owner <sup>(1)</sup>  | Number of Shares<br>of Common Stock<br>Beneficially Owned <sup>(2)</sup> | Percentage<br>of Shares<br>Outstanding |
|--|--|--|
| Brown Advisory Securities LLC <sup>(3)</sup><br>901 South Bond Street, Suite 400<br>Baltimore, MD 21231-3340               | 7,334,933  | 33.16%                                 |
| BlackRock, Inc. <sup>(4)</sup><br>40 East 52nd Street<br>New York, NY 10022  | 1,151,283  | 5.20%                                  |
| Dimensional Fund Advisors LP <sup>(5)</sup><br>Palisades West, Building One<br>6300 Bee Cave Road<br>Austin, TX 78746-5149 | 1,144,469  | 5.17%                                  |
| Royce & Associates, LLC <sup>(6)</sup><br>745 Fifth Avenue<br>New York, NY 10151   | 1,151,870  | 5.21%                                  |
| David E. Hershberg   | 856,113 <sup>(7)</sup>   | 3.83%                                  |
| Andrew C. Melfi  | 147,010 <sup>(8)</sup>   | *                                      |
| Keith A. Hall  | 126,119 <sup>(9)</sup>   | *                                      |
| Thomas C. Coyle  | 83,448 <sup>(10)</sup>   | *                                      |
| William Raney, Jr.   | 74,098   | *                                      |
| C. J. Waylan   | 63,000 <sup>(11)</sup>   | *                                      |
| Brian T. Maloney   | 60,045 <sup>(12)</sup>   | *                                      |
| A. Robert Towbin   | 49,590 <sup>(13)</sup>   | *                                      |
| Harry L. Hutcherson, Jr.   | 48,000 <sup>(14)</sup>   | *                                      |
| Jack A. Shaw   | 48,000 <sup>(14)</sup>   | *                                      |
| Andrew Silberstein   | 33,750 <sup>(15)</sup>   | *                                      |
| Richard E. Caruso  | 23,000 <sup>(16)</sup>   | *                                      |
| All current directors and executive officers as a group<br>(12 persons)  | 1,612,173 <sup>(17)</sup>  | 6.99%                                  |

\* Represents less than 1%.

- (1) Except as otherwise indicated, (i) the stockholders named in the table have sole voting and investment power with respect to all shares beneficially owned by them and (ii) the address of all stockholders listed in the table is c/o Globecomm Systems Inc., 45 Oser Avenue, Hauppauge, New York 11788.
- (2) The number of shares of Common Stock outstanding as of September 28, 2010 was 22,123,143. Except as otherwise indicated, amounts shown for each stockholder include (i) all restricted and unrestricted

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shares of Common Stock owned by each stockholder and (ii) shares of Common Stock underlying options exercisable within 60 days of September 28, 2010.

- (3) Other than the information relating to its percentage ownership of our Common Stock, based solely on information contained in a Schedule 13G/A filed with the SEC on May 11, 2010, by Brown Advisory Holdings Incorporated, or BAHI. In the BAHI Schedule 13G/A, BAHI reported shared dispositive power of 7,334,933 shares.
- (4) Other than the information relating to its percentage ownership of our Common Stock, based solely on information contained in a Schedule 13G filed with the SEC on January 29, 2010, by BlackRock, Inc., or BlackRock. In the BlackRock Schedule 13G, BlackRock reported sole voting power and sole dispositive power of 1,151,283 shares.
- (5) Other than the information relating to its percentage ownership of our Common Stock, based solely on information contained in a Schedule 13G filed with the SEC on February 8, 2010, by Dimensional Fund Advisors LP, or Dimensional. In the Dimensional Schedule 13G, Dimensional reported sole voting power over 1,110,928 shares and sole dispositive power over 1,144,469 shares. As stated in the Dimensional Schedule 13G, Dimensional furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the Funds ). In certain cases, subsidiaries of Dimensional may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, neither Dimensional nor its subsidiaries (collectively, the Dimensional Entities ) possess voting and/or investment power over the securities of the Company that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Company held by the Funds. However, all securities reported in the Dimensional 13G are owned by the Funds. The Dimensional Entities disclaimed beneficial ownership of such securities in the Dimensional Schedule 13G.
- (6) Other than the information relating to its percentage ownership of our Common Stock, based solely on information contained in a Schedule 13G with the SEC on January 25, 2010, by Royce & Associates, LLC, or Royce. In the Royce Schedule 13G, Royce reported sole voting power and sole dispositive power of 1,151,870 shares.
- (7) Includes 171,000 shares of Common Stock held by Deerhill Associates, a family partnership of which Mr. Hershberg is Managing General Partner. Mr. Hershberg disclaims beneficial ownership of the shares held by Deerhill Associates except to the extent of his proportionate pecuniary interest therein. Includes 83,266 shares of Common Stock issuable upon the exercise of stock options.
- (8) Includes 49,694 shares of Common Stock issuable upon the exercise of stock options.
- (9) Includes 24,080 shares of Common Stock issuable upon the exercise of stock options.
- (10) Includes 18,000 shares of Common Stock issuable upon the exercise of stock options.
- (11) Includes 55,000 shares of Common Stock issuable upon the exercise of stock options.
- (12) Includes 57,045 shares of Common Stock issuable upon the exercise of stock options.
- (13) Includes 40,000 shares of Common Stock issuable upon the exercise of stock options.



- (14) Includes 45,000 shares of Common Stock issuable upon the exercise of stock options.
- (15) Includes 2,500 shares of Common Stock issuable upon the exercise of stock options.
- (16) Includes 20,000 shares of Common Stock issuable upon the exercise of stock options.
- (17) See Notes (7) through (16) above.

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**Section 16(a) Beneficial Ownership Reporting Compliance**

Under the requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act ), the Company's directors, certain officers and any persons holding more than ten percent of the Common Stock are required to report their ownership of the Common Stock and any changes in that ownership to the SEC and the NASDAQ MarketWatch Surveillance Department. Specific due dates for these reports have been established by the SEC, and the Company is required to report in this proxy statement any failure to file by these dates during the fiscal year ended June 30, 2010. Based solely upon a review of Forms 3, 4 and 5, and amendments thereto, furnished to the Company and written representations made by the Company's officers and directors, the Company believes that during the fiscal year ended June 30, 2010, all filing requirements under Section 16(a) applicable to its officers, directors and persons holding more than ten percent of the Common Stock were complied with on a timely basis.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the following Compensation Discussion and Analysis with the Company's management. Based on that review and discussion, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

**The Compensation Committee**

**Richard E. Caruso (Chairperson)**

**Brian T. Maloney**

**Jack A. Shaw**

**C.J. Waylan**

**Executive Officers Who Are Not Directors**

Following are the Company's executive officers who are not also directors:

*Andrew C. Melfi*, 57, has served as Senior Vice President since March 2009, as Treasurer since September 1997 and as Chief Financial Officer since joining the Company in January 1996. From September 1997 to February 2009, Mr. Melfi served as Vice President. From 1982 to 1995, he was the Controller of STS. Mr. Melfi holds an M.B.A. and a B.B.A. in Accounting from Dowling College.

*Thomas C. Coyle*, 61, has served as Senior Vice President and General Manager of Globecomm Systems since June 2008, and prior to that time, he served as Vice President and General Manager from 2003 to 2008. From 2001 to 2003, he served as Vice President of Managed Networks of Globecomm Systems and from 1999 to 2001, as Senior Director of Engineering of Globecomm Systems. From 1994 to 1998, he was Director of Systems Programs for STS. Prior to joining STS, he was employed by Norden Systems, a division of United Technologies Corp. from 1972 to 1993, where he held positions as a Radar Systems Design Engineer, Engineering Manager and Program Manager. Mr. Coyle holds a B.S.E.E. from Hofstra University.

*Andrew Silberstein*, 50, was promoted to Vice President and General Manager of Globecomm Network Services in November 2009. From March 2009 to November 2009, he served as Vice President, Hosted Services of Globecomm Network Services. He also served as Managing Director of the Asia Pacific Region for the Company from September 1995 to August 2000. From September 2000 to February 2009, he was employed by Schema Inc., a global provider of network optimization software solutions, where he served as President and Chief Operating Officer. From January 1986 to August 1995, he held various management positions at STS. Prior to joining STS, he held a position at Booz Allen & Hamilton, providing technical consulting services to commercial and government clients from August 1982 to December 1985. Mr. Silberstein holds B.S. in Electrical Engineering from Rutgers University, M.S. in Electrical Engineering from Johns Hopkins University, and an Executive M.B.A in Marketing and Finance from the Technion Israel Institute of Technology.

**Named Executive Officers**

Messrs. Hershberg, Hall, Melfi, Coyle, Silberstein and Raney constituted the Company's Named Executive Officers for the fiscal year ended June 30, 2010. Mr. William Raney, Jr. was no longer an executive officer as of June 30, 2010; however, he served as one of the Company's executive officers from July 1, 2009 through November 19, 2009.

The definition of a Named Executive Officer includes up to two

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additional individuals who served as an executive officer during the fiscal year ended June 30, 2010 and would have been among the three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer, had such individuals remained executive officers through the end of the fiscal year.

Mr. Raney would have been among the three most highly compensated executive officers other than the principal executive officer and principal financial officer had he served through June 30, 2010; therefore, Mr. Raney is considered a Named Executive Officer for purposes of disclosure.

## **Oversight and Objectives of the Executive Compensation Program**

As stated in the Compensation Committee's charter, its purpose is (i) to assist the Board of Directors in carrying out its responsibilities regarding compensation of the Company's executive officers and directors, (ii) to evaluate the performance of the Company's executive officers and (iii) to administer the Company's stock and incentive compensation plans and recommend changes in such plans, as needed, to the Board of Directors.

At June 30, 2010, Globecomm had five executive officers (Messrs. Hershberg, Hall, Melfi, Coyle and Silberstein) and these individuals had a broad array of responsibilities and authority within the Company. The six individuals (Messrs. Hershberg, Hall, Melfi, Coyle Raney and Silberstein) identified in the Summary Compensation Table below, including the Chief Executive Officer and the Chief Financial Officer, are collectively referred to in this proxy statement as the Named Executive Officers.

The Compensation Committee has the authority to retain compensation consultants, outside counsel and/or other advisors to provide independent advice and assistance in connection with the execution of its responsibilities. It also has the authority to obtain advice and assistance from internal and external legal, human resource or other advisors. The Compensation Committee works directly with our Vice President of Human Resources on the compensation program and receives recommendations from the Chief Executive Officer on compensation for other executive officers.

The objectives of our executive compensation program are to attract and retain executive talent, to foster excellent performance by executives whose contributions drive the success of the Company and to create value for shareholders. Our program is structured to provide a compensation package that pays better than the market median for superior performance, offers rewards to executives based on Company and individual performance and aligns the interests of management and stockholders through incentives that encourage annual and long-term results.

For the last several years, the Compensation Committee has utilized the Radford Executive Survey Report (the Radford Survey), which is produced by Aon Consulting, Inc., to assist in the evaluation of Globecomm's executive compensation program and to help determine the compensation to be paid to executives. The Radford Survey provides data, by position, for base salary and for cash and equity incentives reported by participating companies. Historically, the Company has relied on the Radford Survey primarily for benchmarking compensation information. The Radford Survey has generally been relied upon because it is a recognized leader for market data in the executive compensation field. In fact, the Compensation Committee has used the Radford Survey in the past and found it to produce reliable data. Furthermore, the Compensation Committee believes that the companies it studies, given their similarities to Globecomm, provide the most meaningful competition to the Company for talent.

## **Benchmarking**

For determination of executive compensation for fiscal year 2010, the Compensation Committee reviewed the Radford Survey's report, which summarized compensation data (available as of July 1,



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2009) from approximately 700 companies in the telecommunications products and services industry. The Radford Survey considered the following variables in processing the survey for the Company: (i) type of industry (telecommunications products and services); (ii) annual revenues (\$100 million to \$200 million); (iii) geographic region (the northeast portion of the United States); and (iv) job description. The Committee targeted compensation levels using the 75th percentile of the Radford Survey as a benchmark. The Compensation Committee plans to use the Radford Survey for setting fiscal 2011 year-end salary levels; however, in the future, it may consider other benchmarking resources, either as a replacement for or supplement to the Radford Survey. In determining which benchmarking resources it will use, the Compensation Committee will consider the Company's acquisitions and changing profile.

**Components of the Compensation Program**

The principal components of the Company's compensation program consist of (i) base salaries, (ii) annual performance-based bonuses and (iii) long-term equity awards.

The Compensation Committee reviews the compensation of the Company's executives on an annual basis, taking into account such factors as competitive compensation levels, the executive's responsibilities, experience and contributions, and the Company's performance. The Compensation Committee believes that a substantial portion of executive officer compensation should be tied to short-term and long-term Company performance. The Compensation Committee periodically reviews the Company's overall executive compensation program against competitive practices and trends, and generally reviews and analyzes the Radford Survey marketplace data and other available information for comparable companies. A significant percentage of executive compensation is normally designed to be performance-based and varies from year to year based on corporate and individual performance.

**Base Salary**

The Company has entered into an employment agreement with each of its executive officers (other than Mr. Silberstein) that establishes a minimum base salary for the executive. The salary levels are reviewed on an annual basis to ensure that they are appropriate in comparison to other companies within the industry. The salary levels are also reviewed on an annual basis in light of each individual's responsibilities, contributions and performance. Executives are eligible for merit increases to base salary on an annual basis.

The Compensation Committee recommended, and the Board of Directors approved, salary increases for the Named Executive Officers in fiscal 2010 following a review of executive officer performance in order to improve the alignment of the compensation levels of certain executive officers to those of their peers. Mr. Silberstein's current compensation as executive officer was approved by the Compensation Committee and the Board of Directors upon his promotion to executive officer during fiscal 2010. The salary increases for 2010 were as follows:

| <b>Named Executive Officer</b>    | <b>Salary Increase(s)</b> | <b>Effective Date</b> | <b>New Salary<sup>(1)</sup></b> |
|-----------------------------------|---------------------------|-----------------------|---------------------------------|
| David E. Hershberg                | \$ 50,000                 | 10/31/2009            | \$ 525,000                      |
| Keith A. Hall                     | 80,000                    | 10/31/2009            | 340,000                         |
| Andrew C. Melfi                   | 30,000                    | 10/31/2009            | 325,000                         |
| Thomas C. Coyle                   | 20,000                    | 10/31/2009            | 280,000                         |
| William Raney, Jr.                |                           | 10/31/2009            | 250,000                         |
| Andrew Silberstein <sup>(1)</sup> | 40,015                    | 10/31/2009            | 230,015                         |

- (1) Andrew Silberstein was promoted to Vice President and General Manager of Globecomm Network Services effective November 19, 2009.



**Table of Contents****Annual Incentives**

The Company's executive officers (with the exception of Mr. Raney, whose incentives are detailed below) were generally eligible to receive annual cash bonuses.

In fiscal 2010, the Company terminated the prior Pay For Performance Plan (the "PFPP"). The PFPP was replaced in fiscal 2010 with a less structured Management Incentive Plan (the "MIP"). The MIP provided cash bonus opportunities based on the Company's earnings relative to a net income target approved by the Board of Directors for the 2010 fiscal year. The MIP was a discretionary plan, pursuant to which the Compensation Committee established a bonus pool in an amount not to exceed the excess of actual net income over the net income target from which to award cash bonuses to executive officers of the Company. The Compensation Committee had further discretion in the allocation of amounts from the established bonus pool among the executive officers, which it exercised based on the recommendations of Chief Executive Officer of the Company. The Chief Executive Officer's recommendations were subject to discussion with the Compensation Committee, and the actual awards were ultimately finalized and approved by the Compensation Committee. The Compensation Committee also determined the bonus for the Chief Executive Officer pursuant to the MIP. The net income target for the fiscal year ended June 30, 2010 was \$6,806,000, and the actual net income for the fiscal year was \$7,902,000. Based on the results for fiscal year 2010, the bonus pool established for the fiscal year 2010 was \$690,000, of which \$402,500 was allocated to the executive officers. The amount of the bonus pool allocated to the executive officers was insufficient to meet the Company's targeted annual performance-based bonuses using the 75th percentile of the Radford Survey as a benchmark.

In fiscal year 2009, based on a recommendation from the Chief Executive Officer of the Company, the Company's fiscal 2009 business plan, the anticipated results of operations for the Company, the downturn in the overall industry and the global economic recession, the Company suspended the PFPP. The base salaries of the executive officers were frozen in fiscal year 2009, and no cash bonuses were paid.

In fiscal 2008 the Company's PFPP provided bonus opportunities based on the Company's overall performance relative to financial targets approved for the fiscal year. If the financial performance targets were met or exceeded, participants were eligible to receive cash bonuses based on a pre-established target percentage of their base salaries, which for fiscal 2008 ranged from 25% of base salary to 50% of base salary for meeting a predetermined performance target and included an additional bonus of up to 37.5% of base salary to 75% of base salary for exceeding the target. A bonus was also possible if the target performance level was not met, so long as the Company's financial performance exceeded a threshold amount. The maximum bonus under the PFPP for fiscal 2008 that executive officers could achieve ranged from a maximum bonus of 50% of base salary to a maximum bonus of 125% of base salary, depending upon the executive officer's position, as set forth in the table below.

Certain executive officers had bonus opportunities under the PFPP for fiscal 2008, as follows:

| <b>Executive Officer</b> | <b>Target Bonus Opportunity<br/>(as a % of Base Salary)</b> | <b>Additional Bonus Opportunity<br/>(as a % of Base Salary)</b> | <b>Maximum Bonus Opportunity<br/>(as a % of Base Salary)</b> |
|--------------------------|---|---|--|
| David E. Hershberg       | 50%   | 75%   | 125%   |
| Andrew C. Melfi          | 33%   | 49.5%   | 82.5%  |
| Keith A. Hall            | 25%   | 25%   | 50%  |

The Compensation Committee determined that awards under the 2008 fiscal year PFPP would be based on two elements: an annual plan for revenues (the Revenue Plan ) and an annual plan for operating income (the Operating Income Plan ). Awards would be based 25% on achieving the Revenue Plan and 75% on achieving the Operating Income Plan. The Compensation Committee believed that the executive

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officers should be evaluated on both the Revenue Plan and the Operating Income Plan, as these individuals are key to the long-term growth plans for the Company. A key reason for using an Operating Income Plan instead of a net income plan was that the Operating Income Plan excluded interest income and expense. Interest income and expense could be associated with acquisitions and equity offerings, and therefore, they should not be factored into the incentive awards.

For fiscal year 2008, the criteria for the eligible executive officers to achieve a baseline award under the PFPP included a Revenue Plan of \$198.9 million and an Operating Income Plan of \$12.5 million, in each case for the consolidated Company. In the event that the Company achieved at least \$189 million of revenues or \$8.75 million of operating income for the consolidated Company, but less than the Revenue Plan or the Operating Income Plan, as the case may be, the PFPP award for each eligible executive officer would be pro-rated. If the Company achieved less than \$189 million of revenues or \$8.75 million of operating income for the consolidated Company, no award would be earned with respect to that element of the PFPP, unless the Compensation Committee agreed to special compensation for an individual or individuals in recognition of special efforts on behalf of the Company. The actual revenue was \$196.5 million and actual operating income was \$13.4 million for fiscal 2008, which resulted in 100% of the target bonus and approximately 27% of the additional bonus opportunity.

The annual incentive for Mr. Raney was set when the Company acquired the assets and business of GlobalSat LLC ( GlobalSat ) in April 2007. Mr. Raney was the President of GlobalSat prior to the acquisition. In order to provide Mr. Raney with incentive to remain with the Company following the acquisition, the Company entered into an employment agreement with him under which Mr. Raney had the opportunity to earn annual bonuses of \$333,333 with respect to each of calendar years 2007-2010 in the event that the GlobalSat business contributed a certain amount of net income before interest income, interest expense, provision for income taxes, depreciation and amortization expense, or EBITDA (the Base Target ) to the Company's consolidated results for the year. If EBITDA performance exceeded the Base Target in any of the years, Mr. Raney would receive an additional bonus equal to 20% of the incremental amount over and above the Base Target. If EBITDA performance fell short of the Base Target in any year, Mr. Raney's bonus would be reduced by 20% of the total amount below the Base Target. If EBITDA performance were to fall short of the Base Target by greater than 50%, no bonus would be awarded for such year. For the calendar year 2007, Mr. Raney was awarded a bonus of \$477,937, of which \$55,500 was accrued in the Company's fiscal year ended June 30, 2007 and \$422,437 was accrued in the Company's fiscal year ended June 30, 2008. A partial bonus of \$184,044 was accrued in the Company's fiscal year ended June 30, 2008 with respect to the bonus attributable to calendar year 2008. The total bonus earned in fiscal year ended June 30, 2008 was \$606,484.

Mr. Raney's employment agreement was amended as of April 1, 2008, under which the bonus structure described above was superseded as of July 1, 2008, due to his then new position as the Company's Senior Vice President of Sales and Marketing. On July 1, 2008, Mr. Raney was granted 15,000 restricted shares pursuant to his employment agreement, approved by the Compensation Committee. The bonus arrangement commencing as of July 1, 2008 was as follows:

For each of the Company's fiscal years ending June 30, 2009 and June 30, 2010, Mr. Raney would receive a major account revenue bonus equal to (i) \$200,000 if the aggregate revenues recognized by the Company from certain customers equaled or exceeded 80% of a certain revenue threshold; (ii) \$250,000 if the aggregate revenues recognized by the Company from these customers equaled or exceeded the revenue threshold and (iii) 3% of the aggregate revenues recognized by these customers in excess of the revenue threshold. In addition, for each of these fiscal years, Mr. Raney would receive a bookings bonus equal to either 30% or 35% of his base salary in each of such fiscal years, to the extent that total bookings exceeded

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the thresholds approved by the Company's Board of Directors. If total bookings exceeded the threshold but were less than 130% of the threshold, the bookings bonus would equal 30% of Mr. Raney's salary and if total bookings equaled or exceeded the threshold by 30% or more, the bookings bonus would equal 35% of Mr. Raney's salary. If in either fiscal year total bookings were less than, but at least equal to, 70% of the threshold, Mr. Raney would receive a reduced bookings bonus equal to (1) 30% of such year's salary multiplied by (2) a fraction, the numerator of which would equal the excess of total bookings over 70% of threshold and the denominator of which would be 70% of threshold. In addition Mr. Raney was eligible to receive up to an additional 10,000 restricted shares each year if bookings targets for the Company's subsidiary Cachendo LLC were reached in the year ending June 30, 2010. As a result, Mr. Raney received an annual incentive cash bonus of \$360,231 and \$660,791 for fiscal 2009 and 2010, respectively.

Mr. Raney's employment agreement was further amended on April 1, 2009, effective as of July 1, 2009 based on his new position as the Company's Senior Vice President of Corporate Office. Based on a determination that it was in the best interests of the Company to extend Mr. Raney's employment period in view of his success in generating services business from government-related entities, pursuant to this amendment, Mr. Raney's employment agreement term was extended to June 30, 2012, and the payment of annual bonuses for fiscal years ending June 30, 2011 and June 30, 2012 will be at the discretion of the Company.

**Long-Term Incentive Compensation**

The Company's executive officers may receive long-term incentive awards, such as stock options and restricted stock that link their compensation with the long-term performance of the Company, align their interests with stockholders and encourage career service. Currently, there is no formal long-term incentive plan in place.

Based on the annual review process, recent acquisitions, in consideration of the lack of cash bonuses paid in fiscal year 2009 as a result of the suspension of the PFPP, and in order to better align their interests with those of the Company's stockholders, the Compensation Committee approved restricted stock grants to Named Executive Officers in fiscal 2010 as follows:

| <b>Named Executive Officer</b> | <b>Shares Granted</b> |
|--------------------------------|-----------------------|
| David E. Hershberg             | 40,000                |
| Keith A. Hall                  | 30,000                |
| Andrew C. Melfi                | 20,000                |
| Thomas C. Coyle                | 15,000                |
| Andrew Silberstein             | 10,000                |
| William Raney, Jr.             | 25,000                |

The shares of restricted stock granted in fiscal 2010 are subject to a three-year vesting schedule.

**Retirement Plans**

Executive officers participate in our 401(k) retirement plan under the same rules that apply to other employees, and they may elect to defer a percentage of their compensation each year subject to plan limits and caps imposed by the Internal Revenue Service (maximum contributions of \$16,500 for 2010, plus make-up supplements permitted for those aged 50 and up). The Company makes a matching contribution equal to the discretionary percentage of a participating executive officer not to exceed 4% of the executive officer's compensation. Effective January 1, 2010, the Company recommended, and the Board of Directors approved, a change in the matching contribution to a maximum

of 4% of the employee's compensation not to exceed \$3,500 per employee per calendar year.

Table of Contents**EXECUTIVE COMPENSATION TABLES****Summary Compensation Table for Fiscal Year 2010**

The table below shows the compensation, for the past three completed fiscal years, of the Chief Executive Officer, the Chief Financial Officer, the three other highest paid executive officers who were serving as executive officers on June 30, 2010 and one additional individual who served as an executive officer during the fiscal year ended June 30, 2010 and would have been among the three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer, had such individual remained an executive officer through the end of the fiscal year.

| Name and Principal Position(a)   | Year<br>(b) | Salary<br>(\$)<br>(c) | Stock<br>Awards <sup>(1)</sup><br>(\$)<br>(d) | Non-Equity<br>Incentive                      |  | Total<br>(\$)<br>(g) |
|--|-------------|-----------------------|---|--|--|----------------------|
|  |             |                       |   | Stock<br>Plan<br>Compensation<br>(\$)<br>(e) | All Other<br>Compensation<br>(\$)<br>(f) |                      |
| <b>David E. Hershberg</b><br>Chairman and Chief<br>Executive Officer                                       | 2010        | 506,971               | 301,200                                       | 125,000                                      | 35,500 <sup>(2)</sup>                    | 968,671              |
|  | 2009        | 475,000               | 460,100                                       |  | 34,700                                   | 969,800              |
|  | 2008        | 469,580               | 144,000                                       | 172,000                                      | 39,000                                   | 824,580              |
| <b>Keith A. Hall</b><br>President and Chief Operating<br>Officer   | 2010        | 333,231               | 225,900                                       | 112,500                                      | 11,750 <sup>(3)</sup>                    | 683,381              |
|  | 2009        | 273,418               | 303,365                                       |  | 10,700                                   | 587,483              |
|  | 2008        | 223,377               | 68,950  | 82,000                                       | 15,000                                   | 389,327              |
| <b>Andrew C. Melfi</b><br>Senior Vice President, Chief<br>Financial Officer and<br>Treasurer               | 2010        | 313,462               | 150,600                                       | 75,000                                       | 9,250 <sup>(4)</sup>                     | 548,312              |
|  | 2009        | 296,135               | 138,950                                       |  | 10,700                                   | 445,785              |
|  | 2008        | 285,816               | 487,200                                       | 70,000                                       | 15,000                                   | 858,016              |
| <b>William Raney, Jr.</b><br>Senior Vice President,<br>Corporate Office                                    | 2010        | 252,693               | 188,250                                       | 660,791 <sup>(5)</sup>                       | 7,000 <sup>(4)</sup>                     | 1,108,734            |
|  | 2009        | 248,077               |   | 360,231                                      | 10,700                                   | 619,008              |
|  | 2008        | 195,123               | 124,650                                       | 606,484                                      | 11,298                                   | 937,555              |
| <b>Thomas C. Coyle</b><br>Senior Vice President,<br>General Manager of Globecomm<br>Systems <sup>(6)</sup> | 2010        | 272,308               | 112,950                                       | 40,000                                       | 7,000 <sup>(4)</sup>                     | 432,258              |
|  | 2009        | 258,782               | 293,605                                       |  | 10,700                                   | 563,087              |
| <b>Andrew Silberstein</b><br>Vice President,   | 2010        | 214,624               | 75,300  | 50,000                                       | 7,000 <sup>(4)</sup>                     | 346,924              |

Globecomm Network Services(7)

- (1) Reflects the aggregate grant date fair value for each director's grants of restricted stock and stock options in the fiscal year, determined in accordance with the Financial Accounting Standards Board ASC Topic 718. The fair value of the option awards was calculated at the time of grant using a Black-Scholes option pricing model. The stock awards are based on the closing price of the Company's common stock on the Nasdaq Global Market on the date on which the stock was awarded. The assumptions used in the valuation are discussed in Note 2 to our consolidated financial statements included in our annual report on Form 10-K for the year ended June 30, 2010.
- (2) Includes perquisites comprised of reimbursement for tax services and life insurance, in each case, provided to Mr. Hershberg pursuant to the terms of his employment agreement, a car allowance and an employer contribution to Mr. Hershberg's 401(k) retirement plan.

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- (3) Includes perquisites comprised of reimbursement for tax services, provided to Mr. Hall pursuant to the terms of his employment agreement, a car allowance and an employer contribution to Mr. Hall's 401(k) retirement plan.
- (4) The aggregate incremental cost to the Company of the perquisites to Messrs. Melfi, Raney, Coyle and Silberstein in fiscal year 2010 did not on an individual basis exceed \$10,000, and consequently, pursuant to SEC rules, are not disclosed.
- (5) Mr. Raney's annual incentive cash bonus (cash bonus) is calculated differently than the executive officers. Mr. Raney's cash bonus is based on an incentive to continue to remain with the Company following the acquisition of GlobalSat in April 2007, pursuant to his employment agreement. See Compensation Discussion and Analysis Components of the Compensation Program Annual Incentives section of this proxy statement for a detailed explanation of the calculation of Mr. Raney's cash bonus.
- (6) Data for fiscal year 2008 not included, since individual was not a Named Executive Officer at that time.
- (7) Data for fiscal years 2009 and 2008 not included, since individual was not a Named Executive Officer at that time.

**Grants of Plan-Based Awards for Fiscal Year 2010**

The table below provides information regarding the stock options and restricted stock granted to the Named Executive Officers during fiscal 2010.

| Named Executive Officer(a) | Grant Date (b) | Estimated Future Payouts Under Non-Equity Incentive Plan Awards |        |         |           |        |         | All Other Stock Awards: Number of Shares of Underlying Stock or Securities of Base Option Awards |         |                            | Grant Date Fair Value of Stock and Option Awards (l) |
|----------------------------|----------------|---|--------|---------|-----------|--------|---------|--|---------|----------------------------|--|
|                            |                | Threshold   | Target | Maximum | Threshold | Target | Maximum | Units  | Options | Exercise Price (\$/Sh) (k) |  |
|                            |                | (c)   | (d)    | (e)     | (f)       | (g)    | (h)     | (i)  | (j)     | (k)                        | (l)  |
| David E. Hershberg         | 11/19/2009     |   |        |         |           |        |         | 40,000   |         |                            | 301,200  |
| Keith A. Hall              | 11/19/2009     |   |        |         |           |        |         | 30,000   |         |                            | 225,900  |
| Andrew C. Melfi            | 11/19/2009     |   |        |         |           |        |         | 20,000   |         |                            | 150,600  |
| Thomas C. Coyle            | 11/19/2009     |   |        |         |           |        |         | 15,000   |         |                            | 112,950  |
| Andrew Silberstein         | 11/19/2009     |   |        |         |           |        |         | 10,000   |         |                            | 75,300   |
| William Raney Jr.          | 11/19/2009     |   |        |         |           |        |         | 25,000   |         |                            | 188,250  |

(1) Reflects the grant date fair value for each grant of restricted stock or stock options in the applicable fiscal year, determined in accordance with the Financial Accounting Standards Board ASC Topic 718. The terms include a



three-year vesting schedule, with one-third vesting on each of the first three anniversaries of the date of grant.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End**

The table below provides information regarding the stock options and restricted stock held by the Named Executive Officers as of June 30, 2010.

| Name(a)            | Grant Date | Option Awards                                       |   |   |   | Stock Awards  |  |  |   |  |
|--------------------|------------|---|---|---|---|---|--|--|---|--|
|                    |            | Number of Securities Underlying Unexercised Options | Number of Securities Underlying Exercisable Options | Number of Securities Underlying Unexercised Options | Number of Securities Underlying Exercisable Options | Number of Shares or Units of Stock That Have Not Vested | Market Value of Shares or Units of Stock That Have Not Vested <sup>(1)</sup> | Number of Shares or Units of Restricted Stock That Have Not Vested | Market Value of Restricted Stock That Have Not Vested | Number of Shares or Units of Restricted Stock That Have Not Vested |
|                    |            | (b)   | (c)   | (d)   | (e)   | (f)   | (g)  | (h)  | (i)   | (j)  |
| David E. Hershberg | 5/25/2001  | 12,766  |   |   | 8.260   | 5/24/2011   |  |  |   |  |
|                    | 11/30/2001 | 30,000  |   |   | 4.420   | 11/29/2011  |  |  |   |  |
|                    | 1/31/2003  | 8,000   |   |   | 3.690   | 1/30/2013   |  |  |   |  |
|                    | 9/26/2003  | 20,000  |   |   | 3.350   | 9/25/2013   |  |  |   |  |
|                    | 1/5/2005   | 12,500  |   |   | 6.510   | 1/4/2015  |  |  |   |  |
|                    | 11/5/2007  |   |   |   |   |   | 3,333  | 27,497   |   |  |
|                    | 9/12/2008  |   |   |   |   |   | 16,667   | 137,503  |   |  |
|                    | 11/28/2008 |   |   |   |   |   | 6,667  | 55,003   |   |  |
|                    | 3/13/2009  |   |   |   |   |   | 13,334   | 110,006  |   |  |
|                    | 11/19/2009 |   |   |   |   |   | 40,000   | 330,000  |   |  |
| Keith A. Hall      | 5/25/2001  | 852   |   |   | 8.260   | 5/24/2011   |  |  |   |  |
|                    | 6/29/2001  | 15,000  |   |   | 6.710   | 6/28/2011   |  |  |   |  |
|                    | 11/30/2001 | 4,250   |   |   | 4.420   | 11/29/2011  |  |  |   |  |
|                    | 1/31/2003  | 910   |   |   | 3.690   | 1/30/2013   |  |  |   |  |
|                    | 9/26/2003  | 68  |   |   | 3.350   | 9/25/2013   |  |  |   |  |
|                    | 1/5/2005   | 3,000   |   |   | 6.510   | 1/4/2015  |  |  |   |  |

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|                    |            |        |       |        |            |        |         |
|--------------------|------------|--------|-------|--------|------------|--------|---------|
|                    | 9/7/2007   |        |       |        |            | 1,667  | 13,753  |
|                    | 9/12/2008  |        |       |        |            | 10,000 | 82,500  |
|                    | 11/28/2008 |        |       |        |            | 5,000  | 41,250  |
|                    | 3/13/2009  |        |       |        |            | 9,334  | 77,006  |
|                    | 11/19/2009 |        |       |        |            | 30,000 | 247,500 |
| Andrew C. Melfi    | 7/28/2000  | 25,000 |       | 11.500 | 7/27/2010  |        |         |
|                    | 8/25/2000  | 10,000 |       | 10.688 | 8/24/2010  |        |         |
|                    | 5/25/2001  | 2,128  |       | 8.260  | 5/24/2011  |        |         |
|                    | 9/28/2001  | 2,834  |       | 5.310  | 9/27/2011  |        |         |
|                    | 11/30/2001 | 1,832  |       | 4.420  | 11/29/2011 |        |         |
|                    | 1/31/2003  | 7,400  |       | 3.690  | 1/30/2013  |        |         |
|                    | 9/26/2003  | 8,000  |       | 3.350  | 9/25/2013  |        |         |
|                    | 7/21/2004  | 20,000 |       | 5.160  | 7/20/2014  |        |         |
|                    | 1/5/2005   | 7,500  |       | 6.510  | 1/4/2015   |        |         |
|                    | 11/5/2007  |        |       |        |            | 2,500  | 20,625  |
|                    | 5/15/2008  |        |       |        |            | 13,334 | 110,006 |
|                    | 11/28/2008 |        |       |        |            | 3,334  | 27,506  |
|                    | 3/13/2009  |        |       |        |            | 7,666  | 63,245  |
|                    | 11/19/2009 |        |       |        |            | 20,000 | 165,000 |
| William Raney, Jr. | 7/1/2008   |        |       |        |            | 10,000 | 82,500  |
|                    | 11/19/2009 |        |       |        |            | 25,000 | 206,250 |
| Thomas C. Coyle    | 9/28/2001  | 2,500  |       | 5.310  | 9/27/2011  |        |         |
|                    | 11/30/2001 | 7,500  |       | 4.420  | 11/29/2011 |        |         |
|                    | 1/31/2003  | 5,000  |       | 3.690  | 1/30/2013  |        |         |
|                    | 1/5/2005   | 3,000  |       | 6.510  | 1/4/2015   |        |         |
|                    | 9/7/2007   |        |       |        |            | 1,667  | 13,753  |
|                    | 9/12/2008  |        |       |        |            | 10,000 | 82,500  |
|                    | 11/28/2008 |        |       |        |            | 5,000  | 41,250  |
|                    | 3/13/2009  |        |       |        |            | 8,666  | 71,495  |
|                    | 11/19/2009 |        |       |        |            | 15,000 | 123,750 |
| Andrew Silberstein | 3/2/2009   | 2,500  | 7,500 | 4.800  |            |        |         |
|                    | 11/19/2009 |        |       |        |            | 10,000 | 82,500  |

(1) The value shown was determined by multiplying the number of shares of restricted stock by the closing price of our Common Stock on June 30, 2010. All shares of restricted stock include a three- and

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two-year vesting schedule, with one-third vesting on each of the first three anniversaries of the date of grant, except for the March 13, 2009 grant that vested one-third on date of grant and one-third vesting on each of the first two anniversaries of the date of grant, respectively, with both subject to accelerated vesting in certain circumstances.

**Option Exercises and Stock Vested for Fiscal Year 2010**

The table below provides information for the Named Executive Officers with respect to stock options exercised and restricted stock awards vested during fiscal 2010.

| Named Executive Officer<br>(a) | Option Awards                                       |  | Stock Awards                                       |   |
|--------------------------------|---|--|--|---|
|                                | Number of Shares Acquired on Exercise<br>(#)<br>(b) | Value Realized on Exercise <sup>(1)</sup><br>(\$)<br>(c) | Number of Shares Acquired on Vesting<br>(#)<br>(d) | Value Realized on Vesting <sup>(2)</sup><br>(\$)<br>(e) |
| David E. Hershberg             | 60,000  | 63,227   | 28,332   | 219,490   |
| Keith A. Hall                  |   |  | 18,500   | 143,605   |
| Andrew C. Melfi                | 17,000  | 42,500   | 25,166   | 201,216   |
| William Raney, Jr.             |   |  | 8,334  | 62,172  |
| Thomas C. Coyle                | 4,000   | 4,500  | 17,834   | 138,390   |
| Andrew Silberstein             |   |  |  |   |

- (1) The amounts in this column reflect the aggregate dollar amount realized upon the exercise of the options, determined by calculating the difference between the market price of the underlying securities at exercise and the exercise price of the options.
- (2) The amounts in this column reflect the aggregate dollar amount realized upon the vesting of stock determined by multiplying the number of shares of stock that vested by the market value of the shares on the vesting date.

**Employment Agreements**

The Company entered into employment agreements (the Executive Agreements) with Messrs. Hershberg (amended in January 2009) and Melfi (amended in January 2009) in October 2001 and Hall (replaced by a new agreement in July 2009) and Coyle (amended in January 2009) in June 2008. The Executive Agreements continue from year to year, unless terminated earlier by either party by written notice of termination given to the other party. Each Executive Agreement entitles the relevant Named Executive Officer to all employee benefits generally made available to executive officers. In addition, the Company entered into an employment agreement with Mr. Raney (the Raney Agreement) in April 2007, which was amended in April 2008 and again in July 2009, effective November 19, 2009, at which time Mr. Raney was no longer an executive officer of the Company. The Company has not entered into an employment agreement with Mr. Silberstein.

The Executive Agreements and the Raney Agreement specify duties and minimum compensation commitments. The Executive Agreements also provide for severance benefits in certain circumstances and the Executive Agreements and the Raney Agreement also impose restrictive covenants, which relate to, among other things, confidentiality and

competition. The Compensation Committee determined that the Executive Agreements and the Raney Agreement are appropriate for the relevant Named Executive

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Officers. The contracts provide varying benefit levels based on the executive's responsibilities, and the agreements serve as a retention device for executives who meet these requirements. The Company entered into the Executive Agreements and the Raney Agreement to fully recognize the executives' contributions, to maintain the continuity of the management team in order to assure continuous, harmonious performance of the Company's affairs and to provide the executives with an incentive to remain with the Company.

Under the Executive Agreements and the Raney Agreement, as of June 30, 2010 the Company was required to compensate Messrs. Hershberg, Melfi, Hall, Coyle and Raney with annual base salaries of \$525,000, \$325,000, \$340,000, \$280,000 and \$250,000, respectively, which amounts are reviewed annually by the Board of Directors and subject to increase at the Board of Directors' discretion. The Named Executive Officers may also receive discretionary bonuses. Each of Messrs. Hershberg, Melfi, Hall, Coyle and Raney was required to devote his full-time efforts to the Company.

### **Potential Payments Upon Termination or Change in Control**

If the Company terminates any of the Executive Agreements, other than for disability or cause, or if any Named Executive Officer other than Mr. Raney or Mr. Silberstein terminates his employment with the Company for good reason ( "Good Reason" ), at June 30, 2010, the Company would have had the following obligations: (i) to continue to pay to each of Messrs. Hershberg, Melfi, Hall and Coyle his then applicable annual base salary for a specified period commencing upon the effective date of the termination (the "Severance Period" ); the Severance Period was three years for Messrs. Hershberg, Melfi and Hall and two years for Mr. Coyle; (ii) during each year of the Severance Period, to pay for continued health benefits up to a maximum of \$2,000 per month; (iii) during each year of the Severance Period, to pay the annual automobile allowance, currently \$12,000, \$9,000, \$9,000 and \$6,000 for Messrs. Hershberg, Melfi, Hall, and Coyle, respectively; (iv) during each year of the Severance Period, to pay to the relevant Named Executive Officer the amount of the non-elective deferral employer contribution made under the Company's 401(k) plan for such Named Executive Officer's last fiscal year with the Company prior to termination of employment; (v) to pay the cost of converting the group term life insurance coverage to an individual policy and (vi) during each year of the Severance Period, to pay \$2,500 for the annual professional service allowance for Messrs. Hershberg and Hall. The Raney Agreement does not have a similar severance arrangement and Mr. Silberstein is not party to an employment agreement.

Good Reason is defined as a material breach of the Executive Agreement by the Company, which includes a failure to pay salary or bonus, a failure to provide benefits, a requirement to travel significantly more days than in the previous calendar year, a material reduction in duties and responsibilities, a change in the reporting relationship or a relocation of the worksite to a location 75 miles or more from its current location.

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The table below shows the benefits that would be payable to the Named Executive Officers under the Executive Agreements or otherwise, had each applicable Named Executive Officer been terminated without cause or for Good Reason on June 30, 2010.

| Named Executive Officer | Severance Salary <sup>(1)</sup> | Medical/Dental Continuation <sup>(2)</sup> | Other Benefits <sup>(3)</sup> | Vacation Payout | Early | Vesting | Restricted Stock <sup>(5)</sup> | Total        |
|-------------------------|---------------------------------|--|-------------------------------|-----------------|-------|---------|---------------------------------|--------------|
|                         |                                 |  |                               |                 | Stock | Options |                                 |              |
| David E. Hershberg      | \$ 1,575,000                    | \$ 51,536                                  | \$ 120,594                    | \$ 82,324       | \$    | \$      |                                 | \$ 1,829,454 |
| Keith A. Hall           | 1,020,000                       | 72,000                                     | 48,222                        | 53,315          |       |         |                                 | 1,193,537    |
| Andrew C. Melfi         | 975,000                         | 72,000                                     | 40,722                        | 50,963          |       |         |                                 | 1,138,685    |
| Thomas C. Coyle         | 560,000                         | 34,358                                     | 21,148                        | 37,918          |       |         |                                 | 653,424      |
| William Raney, Jr.      |                                 |  |                               | 9,525           |       |         |                                 | 9,525        |
| Andrew Silberstein      |                                 |  |                               | 1,296           |       |         |                                 | 1,296        |

- (1) The amounts in this column represent the aggregate base salary to be paid to the Named Executive Officers (other than Messrs. Raney and Silberstein) during the Severance Period.
- (2) The amounts in this column represent the aggregate amounts of medical and dental continuation coverage the Named Executive Officers (other than Messrs. Raney and Silberstein) would receive during the Severance Period, based on the Company's current rates.
- (3) The amounts in this column represent the aggregate amounts the Named Executive Officers (other than Messrs. Raney and Silberstein) would receive during the Severance Period for (a) the automobile allowance, (b) the non-elective deferral employer contribution made under the Company's 401(k) plan for the last fiscal year of the Company prior to the termination of employment, (c) the estimated cost to converting the group term life insurance coverage to an individual policy and (d) the annual professional service allowance, which is for Messrs. Hershberg and Hall only.
- (4) The Executive Agreements do not provide for early vesting of stock options; in any event, all currently outstanding options are fully vested for each Named Executive Officer, with the exception of Mr. Silberstein.
- (5) The Executive Agreements do not provide for early vesting of restricted stock grants.

The benefits available to a Named Executive Officer (other than Messrs. Raney and Silberstein) in the event of a change in control (a "Change in Control") differ from those available if such Named Executive Officer is terminated without cause or for Good Reason. Change in Control is defined as any person or group becoming the beneficial owner, directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities; the Company being part of a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; and during any period of twenty-four consecutive months, individuals who at the beginning of such period constituted the Board of Directors (including, for this purpose, any new director whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of

Directors.

Pursuant to the Globecomm Systems Inc. 1997 Stock Incentive Plan and the 2006 Plan, all outstanding stock options and restricted stock held by any executive officer (as well as those held by other employees) will become fully vested upon certain changes in control of the Company.



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If the Named Executive Officer does not provide the Company notice of resignation and remains employed by the Company through the first anniversary of a Change in Control, he would be paid a one-time bonus payment equal to 50%, in the cases of Messrs. Hershberg, Melfi, Hall and Coyle, of his then-applicable annual base salary (the Retention Bonus ); provided that the Named Executive Officer must execute and deliver to the Company a general release as a condition of receiving the Retention Bonus.

If, within one year after a Change in Control, a Named Executive Officer (other than Mr. Raney) gives notice of his resignation for Good Reason due to either a material reduction in the individual's duties or responsibilities or a change in the individual's reporting relationship and the Company requests that he continue his employment until a date no later than the first anniversary of the Change in Control, then the Named Executive Officer will receive the severance payments and benefits described above only if he continues his employment until that date.

If the payments to a Named Executive Officer other than Messrs. Raney and Silberstein (including the value of accelerated vesting of stock options and restricted stock) in connection with a Change in Control exceed three times the individual's five-year average compensation from the Company, the portion of the payments that exceeds one times the individual's average compensation will be subject to a 20% excise tax. The Executive Agreements provide that the severance payments and the Retention Bonus will be reduced to the extent necessary to prevent the imposition of the excise tax, unless the Named Executive Officer would retain a greater net payment by receiving the full amount and paying the excise tax. The amount of compensation that is subject to the excise tax would not be deductible for federal tax purposes by the Company, except as described in note 6 of the table below.

The table below shows the benefits that would be payable under the 2006 Plan had there been a Change in Control on June 30, 2010.

| <b>Named Executive Officer</b> | <b>Early Vesting of Stock Options<sup>(1)</sup></b> | <b>Vesting of Restricted Stock<sup>(2)</sup></b> |
|--------------------------------|---|--|
| David E. Hershberg             | \$  | \$ 660,008                                       |
| Keith A. Hall                  |   | 462,008  |
| Andrew C. Melfi                |   | 386,397  |
| William Raney, Jr.             |   | 288,750  |
| Thomas C. Coyle                |   | 332,747  |
| Andrew Silberstein             | 15,198  | 82,500   |

(1) All currently outstanding options are fully vested for each Named Executive Officer, except for Mr. Silberstein, who has 7,500 unvested options as of June 30, 2010. The value shown is determined by multiplying the number of stock options on the date of grant by the fair value calculated in accordance with the Financial Accounting Standards Board ASC Topic 718.

(2) The value shown was determined by multiplying the number of shares of restricted stock by the closing price of our Common Stock on June 30, 2010.

The amounts shown above are those that the Named Executive Officer would have received had there been a Change in Control on June 30, 2010, and the individual remained employed. The table below shows the benefits that would be payable to the Named Executive Officers under the 2006 Plan and the Executive



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Agreements, as applicable, had there been both a Change in Control and a termination of employment without cause or for Good Reason on June 30, 2010.

| <b>Named Executive Officer</b> | <b>Severance Salary<sup>(1)</sup></b> | <b>Medical/Dental Continuation<sup>(2)</sup></b> | <b>Other Benefits<sup>(3)</sup></b> | <b>Vacation Payout</b> | <b>Early Vesting of Stock Options<sup>(4)</sup></b> | <b>Vesting of Restricted Stock<sup>(5)</sup></b> | <b>Total<sup>(6)</sup></b> |
|--------------------------------|---------------------------------------|--|-------------------------------------|------------------------|---|--|----------------------------|
| David E. Hershberg             | \$ 1,575,000                          | \$ 51,536  | \$ 120,594                          | \$ 82,324              |   | \$ 660,008                                       | \$ 2,489,462               |
| Keith A. Hall                  | 1,020,000                             | 72,000   | 48,222                              | 53,315                 |   | 462,008  | 1,655,545                  |
| Andrew C. Melfi                | 975,000                               | 72,000   | 40,722                              | 50,963                 |   | 386,397  | 1,525,082                  |
| Thomas C. Coyle                | 560,000                               | 34,358   | 21,148                              | 37,918                 |   | 332,747  | 986,171                    |
| William Raney, Jr.             |                                       |  |                                     | 9,525                  |   | 288,750  | 298,275                    |
| Andrew Silberstein             |                                       |  |                                     | 1,296                  | 15,198  | 82,500   | 98,994                     |

- (1) The amounts in this column represent the current aggregate base salary to be paid to the Named Executive Officers (other than Messrs. Raney and Silberstein) upon termination of employment without cause or for good reason in conjunction with a change in control.
- (2) The amounts in this column represent the aggregate amounts of medical and dental continuation coverage the Named Executive Officers (other than Messrs. Raney and Silberstein) would receive upon termination of employment without cause or for good reason in conjunction with a change in control, based on the Company's current rates.
- (3) The amounts in this column represent the aggregate amounts the Named Executive Officers (other than Messrs. Raney and Silberstein) would receive upon termination of employment without cause or for good reason in conjunction with a change in control for (a) the automobile allowance, (b) the non-elective deferral employer contribution made under the Company's 401(k) plan for the last fiscal year of the Company prior to the termination of employment, (c) the estimated cost to converting the group term life insurance coverage to an individual policy and (d) the annual professional service allowance, which would be for Messrs. Hershberg and Hall only.
- (4) All currently outstanding options are fully vested for each Named Executive Officer, except for Mr. Silberstein, who has 7,500 unvested stock options.
- (5) The value shown was determined by multiplying the number of shares of restricted stock by the closing price of our Common Stock on June 30, 2010.
- (6) Although the amounts listed for Messrs. Hershberg, Melfi and Hall exceed three times their average compensation, the full amounts would have been paid to them since this would have provided them with the greater net amount after payment of the excise tax. The Company would have had a loss of deductibility for federal tax purposes with respect to such amounts but the impact would not have been material due to loss carry-forwards from previous years.

**Policies and Procedures for Approval of Transactions with Related Persons**

If appropriate, a special committee appointed by the Board of Directors would be responsible for reviewing and approving related person transactions that are subject to SEC disclosure requirements, including transactions in which the Company is a participant, the amount of which exceeds \$120,000 and with respect to which a related person has a direct or indirect material interest. A related person includes a director, executive officer, nominee for election as a director, person holding more than 5% of our stock and any immediate family member of any of the foregoing persons. No such committee was formed during fiscal 2010.

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**Factors Affecting Compensation**

**Tax Deductibility of Executive Compensation**

In implementing the Company's compensation programs, the Compensation Committee's general policy is to consider any significant effects of Section 162(m) of the Internal Revenue Code, enacted in 1993, which generally disallows a tax deduction to publicly held companies for compensation exceeding \$1.0 million paid to certain of the corporation's executive officers. The limitation does not apply to compensation that qualifies as performance-based compensation within the meaning of Section 162(m). The compensation paid to the Company's executive officers for the 2010 fiscal year did not exceed the \$1.0 million limit per officer. The Globecomm Systems Inc. 1997 Stock Incentive Plan and the 2006 Plan are structured so that any compensation deemed paid to an executive officer in connection with the exercise of option grants made under those plans with an exercise price equal to the fair market value of the option shares on the grant date, and restricted grants under those plans will qualify as performance-based compensation, and therefore will not be subject to the \$1.0 million limitation.

**Accounting Considerations**

The Compensation Committee considers the accounting implications with respect to the executive compensation program, including the estimated cost for financial reporting purposes of equity compensation under FASB ASC Topic 718 - Stock Compensation.

**Table of Contents****PROPOSAL 2****RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Upon the recommendation of the Audit Committee, the Board of Directors appointed Ernst & Young LLP as the independent registered public accounting firm of the Company to serve for the fiscal year ending June 30, 2010 subject to the ratification of such appointment by the stockholders at the Annual Meeting. Ernst & Young LLP has served as the Company's independent registered public accounting firm since November 27, 1996. A representative of Ernst & Young LLP will attend the Annual Meeting with the opportunity to make a statement if he or she so desires and will also be available to answer questions anyone may have.

The affirmative vote of a majority of the Company's outstanding Common Stock represented and voting at the Annual Meeting is required to ratify the appointment of Ernst & Young LLP as independent registered public accounting firm of the Company to serve for the fiscal year ending June 30, 2011.

**The Board of Directors recommends a vote FOR this proposal.**

**Fees Paid to Independent Registered Public Accounting Firm**

The following is a summary of the fees billed to the Company for audit, audit-related and non-audit services provided by Ernst & Young LLP to the Company for the fiscal years ended June 30, 2010 and June 30, 2009:

| <b>Fee Category</b> | <b>Fiscal 2010</b>  | <b>Fiscal 2009</b> |
|---------------------|---------------------|--------------------|
| Audit Fees          | \$ 430,000          | \$ 425,000         |
| Audit-Related Fees  | 199,000             | 50,000             |
| Tax Fees            | 459,000             | 92,300             |
| All Other Fees      |                     |                    |
| <b>Total Fees</b>   | <b>\$ 1,088,000</b> | <b>\$ 567,300</b>  |

*Audit Fees:* Consists of the aggregate fees billed for professional services rendered for the audit of the Company's annual financial statements and the effectiveness of internal controls over financial reporting and review of the interim financial statements included in the Company's quarterly reports on Form 10-Q and services that are normally provided by Ernst & Young LLP in connection with statutory and regulatory filings or engagements.

*Audit-Related Fees:* Consists of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under Audit Fees. These services include the audit of an employee benefit plan and due diligence and accounting consultations associated with the international acquisitions during fiscal 2010.

*Tax Fees:* Consists of the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. During fiscal 2010 the Company received assistance regarding its international tax planning and research and development tax credits.

*All Other Fees:* Consists of the aggregate fees billed for products and services other than the services reported above. There were no such fees in the years presented.

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**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by Ernst & Young LLP. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for audit services a year in advance, and any pre-approval for permissible non-audit services is detailed as to the particular service or category of services. Ernst & Young LLP and the Company's management are required to periodically report to the Audit Committee the fees for the services performed by Ernst & Young LLP and the extent of services provided by Ernst & Young LLP in accordance with this pre-approval.

**Audit Committee Report**

The following is the report of the Audit Committee with respect to the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2010, and the independent registered public accounting firm's opinions on our consolidated financial statements and on the effectiveness of internal controls over financial reporting.

The Audit Committee has reviewed and discussed with the Company's management the audited consolidated financial statements of the Company for the fiscal year ended June 30, 2010. In addition, the Audit Committee has discussed with Ernst & Young LLP, the Company's independent registered public accounting firm, matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as amended, which includes, among other things, matters related to the conduct of the audit of the Company's consolidated financial statements.

The Audit Committee discussed with Ernst & Young LLP its opinion regarding the effectiveness of the Company's internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act.

The Audit Committee has received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding communications with the Audit Committee concerning independence, and the Audit Committee has discussed with Ernst & Young LLP its independence from the Company.

Based on the Audit Committee's review and discussions noted above, the Audit Committee recommended to the Board of Directors that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2010 for filing with the SEC.

**The Audit Committee**

**Harry L. Hutcherson, Jr. (Chairperson)**

**Richard E. Caruso**

**Brian T. Maloney**

**C. J. Waylan**



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**STOCKHOLDER PROPOSALS FOR NEXT ANNUAL MEETING**

Stockholders of the Company may submit proposals on matters appropriate for stockholder action at meetings of the Company's stockholders in accordance with Rule 14a-8 promulgated under the Exchange Act. For such proposals to be included in the Company's proxy materials relating to its next annual meeting, all applicable requirements of Rule 14a-8 must be satisfied, and such proposals must be received by the Company no later than June 10, 2011. Such proposals should be delivered to the Company in writing to the following address: Globecomm Systems Inc., Attn: Corporate Secretary, 45 Oser Avenue, Hauppauge, New York 11788.

For any proposal that is not submitted for inclusion in next year's proxy statement, but is instead sought to be presented directly at the next annual meeting, the Company must receive by July 22, 2011 a notice in writing of the intention to present the proposal. Address all notices of intention to present proposals at the next annual meeting to: Globecomm Systems Inc., Attn: Corporate Secretary, 45 Oser Avenue, Hauppauge, New York 11788.

**OTHER MATTERS**

The Board of Directors knows of no matters that are to be presented for action at the Annual Meeting other than those set forth above. If any other matters properly come before the Annual Meeting, the persons named in the enclosed form of proxy will vote the shares represented by proxies in accordance with their best judgment on such matters.

Proxies will be solicited by mail and may also be solicited in person or by telephone by some regular employees of the Company. The Company may also consider the engagement of a proxy solicitation firm. Costs of the solicitation will be borne by the Company.

By Order of the Board of Directors

Paul J. Johnson  
Secretary

Hauppauge, New York  
October 8, 2010

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**GLOBECOMM SYSTEMS INC.  
PROXY FOR ANNUAL MEETING OF STOCKHOLDERS November 18, 2010  
(This Proxy is solicited by the Board of Directors of the Company)**

The undersigned stockholder of Globecomm Systems Inc. hereby appoints each of David E. Hershberg and Keith A. Hall, with full power of substitution, proxies to vote the shares of common stock which the undersigned could vote if personally present at the Annual Meeting of Stockholders of Globecomm Systems Inc. to be held at the principal executive offices of Globecomm Systems Inc., 45 Oser Avenue, Hauppauge, New York 11788, on November 18, 2010, at 10:00 a.m. (eastern standard time), or any adjournment thereof.

**VOTE BY INTERNET-[www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS**

If you would like to reduce the costs incurred by Globecomm Systems Inc. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via email or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

**VOTE BY PHONE-1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Globecomm Systems Inc., c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

1. ELECTION OF DIRECTORS (for terms as described in the Proxy Statement)

Richard E. Caruso, Keith A. Hall, David E. Hershberg, Harry L. Hutcherson, Jr., Brian T. Maloney, Jack A. Shaw, A. Robert Towbin and C. J. Waylan

- For All
- Withhold All
- For All Except

2. RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

- FOR
- AGAINST
- ABSTAIN

proposal to ratify the appointment of Ernst & Young LLP, as independent registered public accounting firm of the Company as described in the Proxy Statement.

3. To transact such other business as may properly come before the annual meeting.

**UNLESS OTHERWISE SPECIFIED, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE PERSONS NOMINATED BY THE BOARD OF DIRECTORS AS DIRECTORS AND FOR PROPOSAL 2.**

Please date and sign exactly as your name appears on the envelope in which this material was mailed. If shares are held jointly, each stockholder should sign. Executors, administrators, trustees, etc. should use full title and, if more than one, all should sign. If the stockholder is a corporation, please sign full corporate name by an authorized officer.

Signature of Stockholder

Date: