

AVIAT NETWORKS, INC.  
Form PRE 14A  
September 23, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A

(Rule 14a-101)

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

Aviat Networks, 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):

No fee required

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(4) Date Filed:

PRELIMINARY PROXY STATEMENT-SUBJECT TO COMPLETION

AVIAT NETWORKS, INC.

860 N. McCarthy Blvd., Suite 200, Milpitas, California 95035

Notice of 2016 Annual Meeting of Stockholders

To Be Held on Wednesday, November 16, 2016

TO THE HOLDERS OF COMMON STOCK OF AVIAT NETWORKS, INC.

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Stockholders (the "Annual Meeting") of Aviat Networks, Inc. (the "Company") will be held at our facilities, located at 860 N. McCarthy Blvd., Suite 200, Milpitas, California 95035, on Wednesday, November 16, 2016, at 12:30 p.m., local time, for the following purposes:

1. To elect six directors to serve until the Company's 2017 Annual Meeting of Stockholders or until their successors have been elected and qualified.
2. To vote on the ratification of the appointment by our Audit Committee of BDO USA, LLP ("BDO") as the Company's independent registered public accounting firm for fiscal year 2017.
3. To hold an advisory, non-binding vote to approve the Company's named executive officer compensation.
4. To approve amendments to the Company's Amended and Restated Certificate of Incorporation, as amended, to restrict certain transfers of the Company's common stock in order to protect the substantial tax benefits of the Company's net operating loss carryforwards.
5. To approve the Company's tax benefit preservation plan designed to protect the substantial tax benefits of the Company's net operating loss carryforwards.
6. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement or other delay thereof.

Only holders of common stock at the close of business on September 22, 2016 are entitled to notice of and to vote at the Annual Meeting.

Whether or not you expect to attend the Annual Meeting in person, we urge you to submit a proxy to vote your shares. This will help ensure the presence of a quorum at the Annual Meeting.

By Order of the Board of Directors

[ ], 2016 Meena Elliott

Senior Vice President, Chief Legal & Administrative Officer, Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials  
for the Stockholder Meeting to Be Held on November 16, 2016

The proxy statement and annual report to stockholders are available at  
<https://materials.proxyvote.com/05366Y>

Your vote is important regardless of the number of shares you own. The Board of Directors urges you to sign, date and return the enclosed proxy card by mail (using the enclosed postage-paid envelope) as promptly as possible, or vote electronically or by telephone as described in the attached proxy statement. If you have any questions or need assistance in voting your shares, please contact Broadridge, toll-free at 1-800-690-6903.

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PRELIMINARY PROXY STATEMENT-SUBJECT TO COMPLETION

AVIAT NETWORKS, INC.

PROXY STATEMENT

FOR THE ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON WEDNESDAY, NOVEMBER 16, 2016

This proxy statement (this “Proxy Statement”) applies to the solicitation of proxies by the Board of Directors (the “Board”) of Aviat Networks, Inc. (which we refer to as “Aviat,” the “Company,” “we,” “our,” and “ours”) for use at the 2016 Annual Meeting of Stockholders and any adjournment, postponement or other delay thereof (the “Annual Meeting”), to be held at 12:30 p.m., local time, on Wednesday, November 16, 2016. The Annual Meeting will be held at our facilities located at 860 N. McCarthy Blvd., Suite 200, Milpitas, California 95035. The telephone number at that location is (408) 941-7000. These proxy materials are being made available on or about [ ], 2016, to our stockholders entitled to notice of and to vote at the Annual Meeting.

ABOUT THE ANNUAL MEETING

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to obtain stockholder action on the matters outlined in the notice of meeting included with this Proxy Statement. All holders of shares of common stock at the close of business on September 22, 2016 are entitled to notice of and to vote at the Annual Meeting. At the Annual Meeting, our stockholders will vote (i) to elect six directors; (ii) on the ratification of the appointment by our Audit Committee of BDO USA, LLP (“BDO”) as our independent registered public accounting firm for fiscal year 2017; (iii) on an advisory, non-binding resolution to approve the Company’s named executive officer compensation; (iv) on amendments to the Company’s Amended and Restated Certificate of Incorporation, as amended, to restrict certain transfers of the Company’s common stock in order to protect the substantial tax benefits of the Company’s net operating loss carryforwards; and (v) on the ratification the Company’s tax benefit preservation plan designed to protect the substantial tax benefits of the Company’s net operating loss carryforwards.

What is the record date, and who is entitled to vote at the Annual Meeting?

The record date for the stockholders entitled to vote at the Annual Meeting is September 22, 2016 (the “Record Date”). The Record Date was established by the Board as required by the Delaware General Corporation Law and our Bylaws. Owners of shares of our common stock at the close of business on the Record Date are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting. You may vote all shares that you owned as of the Record Date.

What are the voting rights of the holders of common stock at the Annual Meeting?

Each outstanding share of our common stock is entitled to one vote on each matter considered at the Annual Meeting. As of the Record Date, there were 5,261,041 shares of our common stock outstanding.

Who may attend the Annual Meeting?

Subject to space availability, all stockholders as of the Record Date, or their duly appointed proxies, may attend the Annual Meeting. Since seating is limited, admission to the Annual Meeting will be on a first-come, first-served basis. If your shares are held in “street name” (that is, through a bank, broker or other holder of record) and you wish to attend the Annual Meeting, you must bring to the Annual Meeting a copy of a bank or brokerage statement reflecting your stock ownership as of the Record Date.

Each stockholder may be asked to present valid picture identification, such as a driver’s license or passport. Cameras, recording devices and other electronic devices will not be permitted at the Annual Meeting. You may contact us by calling (408) 941-7000 for directions to the Annual Meeting.

How do I vote?

Stockholders of record can vote by proxy as follows:

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

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

• By Mail: Stockholders may sign, date and return their proxy card in the pre-addressed, postage-paid envelope provided.

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

If you hold your shares in “street name,” the bank, broker or other holder of record holding your shares will send you separate instructions describing the procedure for voting your shares. If you hold your shares in “street name,” you will not be able to vote in person by ballot at the Annual Meeting unless you have previously requested and obtained a “legal proxy” from your broker, bank or other holder of record and present it at the Annual Meeting.

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

Pursuant to Securities and Exchange Commission rules, we have provided access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the “Notice”) to our stockholders of record and beneficial owners of shares held in “street name.” All stockholders will have the ability to access the proxy materials on a website referred to in the Notice or request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, the Notice contains information on how stockholders may request delivery of proxy materials in printed form by mail or electronically by email on an ongoing basis.

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

This Proxy Statement, the form of proxy card, the Notice and our annual report on Form 10-K for the fiscal year ended July 1, 2016 are available at [www.Proxyvote.com](http://www.Proxyvote.com).

Why is Aviat soliciting proxies?

In lieu of personally attending and voting at the Annual Meeting, you may appoint a proxy to vote on your behalf. The Board has designated proxy holders to whom you may submit your voting instructions. The proxy holders for the Annual Meeting are John Mutch, Chairman of the Board, Michael Pangia, President and CEO, and Meena Elliott, Senior Vice President, Chief Legal & Administrative Officer, Corporate Secretary.

How do I revoke my proxy?

If you are a stockholder of record, you may revoke your proxy at any time before your shares are voted at the Annual Meeting by:

• delivering a written notice of revocation to the Company’s Secretary, Meena Elliott, at 860 N. McCarthy Blvd., Suite 200, Milpitas, CA 95035;

• signing, dating and returning a proxy card bearing a later date;

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

attending the Annual Meeting and voting in person by ballot.

If you hold your shares in “street name,” you should follow the directions provided by the bank, broker or other holder of record to revoke your proxy. Regardless of how you hold your shares, your attendance at the Annual Meeting after having executed and delivered a valid proxy card will not in and of itself constitute a revocation of your proxy.

What vote is required to approve each item?

Proposal No. 1 (election of directors): the director nominees will be elected by a majority of the votes cast.

Stockholders may not cumulate votes in the election of directors. The Board recommends a vote “FOR” all nominees.

Proposal No. 2 (ratification of BDO as the Company’s independent registered public accounting firm): the affirmative vote by the holders of common stock entitled to cast a majority of the voting power of all of the common stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is necessary for approval of Proposal No. 2. The Board recommends a vote “FOR” Proposal No. 2.

Proposal No. 3 (advisory, non-binding vote on named executive officer compensation): the affirmative vote by the holders of common stock entitled to cast a majority of the voting power of all of the common stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is necessary for approval of Proposal No. 3. The Board recommends a vote “FOR” Proposal No. 3.

Proposal No. 4 (approval of amendments to the Company’s Amended and Restated Certificate of Incorporation, as amended, to restrict certain transfers of our common stock in order to protect the substantial tax benefits of our net operating loss carryforwards): the affirmative vote by the holders of a majority of the shares outstanding and entitled to vote as of the Record Date is necessary for approval of Proposal No. 4. The Board recommends a vote “FOR” Proposal No. 4.

Proposal No. 5 (approval of the Company’s tax benefit preservation plan designed to protect the substantial tax benefits of the Company’s net operating loss carryforwards): the affirmative vote by the holders of common stock entitled to cast a majority of the voting power of all of the common stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is necessary for approval of Proposal No. 5. The Board recommends a vote “FOR” Proposal No. 5.

What happens if a director does not receive a sufficient number of votes?

Aviat’s Corporate Governance Guidelines provide that a director nominee who receives a greater number of votes “AGAINST” his or her election than votes “FOR” his or her election must promptly offer his or her resignation to the Board. The Board will determine whether to accept the nominee’s resignation. See “Majority Vote Policy in Director Elections” for additional information.

What constitutes a quorum, abstention and broker “non-vote”?

The presence at the Annual Meeting either in person or by proxy of the holders of common stock entitled to cast a majority of the voting power of all of the common stock issued and outstanding and entitled to vote at the Annual Meeting constitutes a quorum for the transaction of business at the Annual Meeting.

Abstentions and broker “non-votes” are counted as present and are, therefore, included for purposes of determining whether a quorum is present at the Annual Meeting. An abstention occurs when a stockholder does not vote for or against a proposal but specifically abstains from voting. A broker “non-vote” occurs when a bank, broker or other holder of record holding shares in street name for a beneficial owner signs and submits a proxy or votes with respect to shares of common stock held in a fiduciary capacity, but does not vote on a particular matter because the bank, broker or other holder of record does not have discretionary voting power with respect to that matter and has not received instructions from the beneficial owner or because the bank, broker or other holder of record elects not to vote on a matter as to which it does have discretionary voting power. Under the rules governing banks, brokers and other holders of record who are voting with respect to shares held in street name, such entities have the discretion to vote such shares on routine matters but not on non-routine matters. Only Proposal No. 2 is a routine matter.

For Proposal No. 1, abstentions and broker “non-votes”, if any, will be disregarded and have no effect on the outcome of the vote. For Proposals No. 2, No.3 and No. 5, abstentions will have the same effect as voting against the proposal, and broker “non-votes”, if any, will be disregarded and have no effect on the outcome of the vote. For Proposal No. 4, abstentions and broker “non-votes,” if any, will have the will have the same effect as a vote against a proposal.

Who pays for the cost of solicitation?

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

In addition, the Company has retained D.F. King & Co. to assist it in the solicitation of proxies. The Company has agreed to pay D.F. King & Co. a fee of \$10,500, plus reimbursement for their reasonable out-of-pocket expenses. The Company has also agreed to indemnify D.F. King & Co. against certain liabilities and expenses, including certain liabilities and expenses under the federal securities laws.

What is the deadline for submitting proposals and director nominations for the 2017 Annual Meeting?

In order for any stockholder to submit nominations of directors or propose business to be considered before our 2017 Annual Meeting, a stockholder of record must submit a written notice thereof, which notice must be received by our Corporate Secretary at our principal executive offices not earlier than August 18, 2017, or later than September 17, 2017. The full requirements for the submission of nominations of directors and proposals of business to be considered are contained in Article II, Sections 13 and 14, respectively, of our Bylaws, which are available for review at our website, [www.aviatnetworks.com](http://www.aviatnetworks.com).

Stockholder proposals intended for inclusion in next year’s proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the “Exchange Act”) must be directed to the Corporate Secretary, Aviat Networks, Inc., at our principal executive offices, and must be received by June 5, 2017.

In accordance with the rules of the SEC, the proxies solicited by the Board for the 2017 Annual Meeting will confer discretionary authority on the proxy holders to vote on any director nomination or stockholder proposal presented at the 2017 Annual Meeting if the Company fails to receive notice of such matter in accordance with the periods specified above.

Who will count the votes?

Broadridge will tabulate the votes cast by proxy. The Company has retained an independent inspector of elections in connection with Aviat’s solicitation of proxies for the Annual Meeting. Aviat intends to notify stockholders of the results of the Annual Meeting by filing a Form 8-K with the SEC.

#### CORPORATE GOVERNANCE

We believe in and are committed to sound corporate governance principles. Consistent with our commitment to and continuing evolution of corporate governance principles, we adopted a Code of Business Ethics, corporate governance guidelines and written charters for the Governance and Nominating Committee, Audit Committee and Compensation Committee. Each of our Board committees is required to conduct an annual review of its charter and applicable guidelines.

#### Board Members

The authorized size of the Board is currently seven. Following the closing of the polls at the Annual Meeting, the authorized size of the Board will be six. Directors are nominated by the Governance and Nominating Committee of the Board.

The following are the members of the Board as of the date of this Proxy Statement. See Proposal No. 1 for additional information regarding the nominees for director.





Name	Title and Positions
John Mutch	Director, Chairman of the Board
William A. Hasler	Director
James R. Henderson	Director
Michael A. Pangia	Director, President and Chief Executive Officer
Robert G. Pearse	Director
John J. Quicke	Director
Dr. James C. Stoffel	Director

Messrs. Hasler, Henderson and Pearse are concluding their service on the Board at the Annual Meeting. We thank them for their dedication and service to Aviat.

The Board has determined that each of our current directors except Mr. Pangia has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and is otherwise independent in accordance with listing rules of the NASDAQ Stock Market (the "NASDAQ Listing Rules").

All of our directors are requested to attend our annual meetings of stockholders. Eight of our directors serving at that time attended the 2015 Annual Meeting, either in person or via telephone.

#### Board and Committee Meetings and Attendance

In fiscal year 2016, the Board held eleven meetings. Each of the Board members attended at least 82% of the Board meetings and at least 91% of the total number of meetings of the committee or committees on which the member served.

#### Board Member Qualifications

Our Board believes that its members should encompass a range of talents, skills and expertise, which enables the Board to provide sound guidance with respect to the Company's operations and interest. Our Board prefers a variety of professional experiences and backgrounds among its members. In addition to considering a candidate's experiences and background, candidates are reviewed in the context of the current composition of the Board and evolving needs of our businesses. In particular, the Board has sought to include members that have experience in establishing, growing and leading communications companies in senior management positions and serving on the board of directors of other companies. In determining that each of the members of the Board is qualified to be a director, the Board has relied on the attributes listed below and, where applicable, on the direct personal knowledge of each of the members' prior service on the Board.

Our bylaws provide that a director may not be older than 75 years of age on the date of his or her election or appointment to the Board unless otherwise specifically approved by a resolution passed by the Board.

#### Directors' Biographies

The following is a brief description of the business experience and background of each nominee for director, including the capacities in which each has served during at least the past five years:

Mr. John Mutch, age 60, currently serves as Chairman of the Board and has served on the Board since January 2015. He has served on the Board of Directors of Steel Excel Inc. ("Steel Excel"), a provider of drilling and production services to the oil and gas industry and a provider of event-based sports services and other health-related services, since 2007. From December 2008 to January 2014, he served as Chairman of the Board of Directors and Chief Executive Officer of Beyondtrust Software, a privately-held security software company. Mr. Mutch has been the founder and managing partner of MV Advisors LLC ("MV Advisors"), a strategic block investment firm that provides focused investment and strategic guidance to small and mid-cap technology companies, since December 2005. Prior to founding MV Advisors, in March 2003, Mr. Mutch was appointed by the U.S. Bankruptcy court to the Board of Directors of Peregrine Systems, Inc. ("Peregrine Systems"), a provider of enterprise asset and service management solutions. He assisted that company in a bankruptcy work-out proceeding and was named President and Chief Executive Officer in July 2003. Previous to running Peregrine Systems, Mr. Mutch served as President, Chief Executive Officer and a director of HNC Software, an enterprise analytics software provider. Before HNC Software, Mr. Mutch



spent seven years at Microsoft Corporation in a variety of executive sales and marketing positions. Mr. Mutch previously served on the Boards of Directors of Phoenix Technologies Ltd., a leader in core systems software products, services and embedded technologies, Edgar Online, Inc., a provider of financial data, analytics and disclosure management solutions, Aspyra, Inc., a provider of clinical and diagnostic information systems for the healthcare industry, Overland Storage, Inc., a provider of unified data management and data protection solutions, and Brio Software, Inc., a provider of business intelligence software. He has served as a director at Agilysys, Inc., a provider of information technology solutions, since March 2009.

Mr. Mutch brings to the Board extensive experience as an executive in the technology sector. He also has experience as a director at several public companies in the technology sector. He is or has been a member of the audit committee of various public and private companies, and brings valuable financial expertise to the Board.

Mr. Wayne Barr, Jr., age 52, has served as a consultant to HC2 Holdings, Inc. (“HC2”), a diversified holding company, since July 2016 and has served on the HC2 Board of Directors since January 2014. From January 2014 until July 2016, Mr. Barr served on the Audit Committee (chairman), Compensation Committee and Nominating and Governance Committee of the HC2 Board of Directors. Mr. Barr also serves as a director of four HC2 private portfolio companies. Mr. Barr has also served as the Managing Director of Alliance Group of NC, LLC, a full-service real estate brokerage firm in Raleigh, NC since January 2013, and as the Principal of Oakleaf Consulting Group LLC, a management consulting firm focusing on technology and telecommunications companies, since he founded the company in 2001. He previously served as a founder and President of Capital & Technology Advisors, Inc. from October 2003 until 2006 and served as Senior Managing Director of Communication Technology Advisors LLC from May 2001 to June 2005. From 1999 until 2001, Mr. Barr was a member of TechOne Capital Group, a private investment firm. From 1995 until 1999, Mr. Barr served as an Associate General Counsel of CAI Wireless Systems Inc., which was acquired by WorldCom Inc. in August 1999. He began his career as an attorney in private practice.

Mr. Barr is a director of Concurrent Computer Corporation, a global software and solutions company. Mr. Barr was a director of Evident Technologies Inc. from 2005 until 2016, and has served on the Boards of Directors of Globix Corporation from 2004 to 2005, Anacomp from 2002 to 2003, Leap Wireless International Inc. from 2003 to 2004 and NEON Communications Group, Inc. in 2005.

Mr. Barr brings to the Board his extensive experience as a senior executive and a member of various boards of directors.

Mr. Kenneth Kong, age 42, is a Senior Vice President at Steel Partners, Ltd. (“Steel Partners”), a management and advisory company that provides management services to Steel Partners Holdings, L.P. and its affiliates. As an investment professional at Steel Partners, Mr. Kong sources and analyzes investment opportunities in publicly traded securities in a diverse number of industries. He is also a member of the Mergers and Acquisitions team at Steel Partners focused on deal sourcing, due diligence and analysis. Since joining Steel Partners in 1997 as an investment analyst, Mr. Kong also performed in various key positions in managing investor relations, marketing and administration for Steel Partners II, L.P., Steel Partners Japan Strategic Fund, L.P. and Steel Partners China Access I, L.P. From 2006 to 2016, he managed Steel Partners China Access I, L.P., a private investment fund focused on investing in publicly listed state owned enterprises in the Peoples Republic of China. Mr. Kong currently serves as a Trustee BNS Holding Liquidating Trust, Inc. since 2012 and as a Director of Ore Holdings, Inc. since October 2010. Additionally, he has served as a Director on several private companies.

Mr. Kong’s brings to the Board an extensive knowledge of capital allocation and related matters.

Mr. Michael A Pangia, age 55, has been our President and CEO and a member of the Board since July 2011. From March 2009 to July 2011, he served as our Chief Sales Officer where he was responsible for company-wide operations of the Global Sales and Services organization. Prior to joining Aviat, Mr. Pangia served as senior vice president, Global Sales Operations and Strategy, at Nortel, where he was responsible for all operational aspects of the Global Sales function. Prior to that, he was president of Nortel’s Asia region, where his key responsibilities included sales and overall business management for all countries in the region where Nortel did business.

Mr. Pangia’s current and prior service as a senior executive officer with large technology driven companies with international operations provide him with an extensive knowledge base of complex management, financial, operational and governance issues faced by public companies with global operations. He also brings a high level of financial literacy to the Board through both formal education and over 15 years’ experience in multiple finance

functional areas, including cost accounting, financial planning and analysis, and mergers and acquisitions.

Mr. John J. Quicke, age 67, has served as a member of the Board since January 2015. Mr. Quicke has served as a director of Rowan Companies, plc, an offshore contract drilling company, since January 2009. Since January 2016, he has

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served as Chairman of Steel Energy Services LTD, a wholly owned subsidiary of Steel Excel. He served on the Board of Directors of Steel Excel from 2007 to July 2016, and served as its Interim President and Chief Executive Officer from January 2010 to March 2013. In March 2013, he was named President and Chief Executive Officer of Steel Excel's Steel Energy segment and served in that capacity until December 2015. Mr. Quicke served as Managing Director and operating partner of Steel Partners LLC, a subsidiary of Steel Partners Holdings L.P. from September 2005 until December 2015. Mr. Quicke has been associated with Steel Partners and its affiliates since September 2005. Previously, Mr. Quicke served in various capacities at Sequa Corporation, a diversified manufacturer, including Vice Chairman and Executive Officer, President, and as a director of the company. Mr. Quicke previously served as a Vice President and director of Handy & Harman Ltd. ("H&H"), director, President and Chief Executive Officer of DGT and as a director of Angelica Corporation, a provider of health care linen management services, Layne Christensen Company, a global solutions provider for essential natural resources, NOVTE Corporation, a vascular brachytherapy business, JPS Industries, Inc., a manufacturer of mechanically formed glass and aramid substrate materials for specialty applications and H&H.

Mr. Quicke's extensive experience, including board service on ten public companies over 20 years, over 25 years of significant operating experience, which includes participation in acquisition and disposition transactions, as well as his financial and accounting expertise, enable him to assist in the effective management of the Company.

Dr. James C. Stoffel, age 70, has served as a member of the Board since January 2007 and a lead independent director from July 2010 to February 2015. Presently, Dr. Stoffel is on the Board of Directors of Harris Corporation, of which he has been a member since August 2003, and is also a member of its Corporate Governance Committee.

Additionally, since 2006 he has served as General Partner of Trillium International, LLC, a private equity company, and is a senior advisor to other private equity companies. He also serves on the boards of the following privately held companies: Display Data, Omni-ID Ltd., Quintel Ltd., and Intrinsic Ltd. Prior to his retirement, Dr. Stoffel was Senior Vice President, Chief Technical Officer and Director of Research and Development of Eastman Kodak Company ("Kodak"). He held this position from 2000 to April 2005. He joined Kodak in 1997 as Vice President and Director, Electronic Imaging Products Research and Development, and became Director of Research and Engineering in 1998. Prior to joining Kodak, he was with Xerox Corporation ("Xerox"), where he began his career in 1972. His most recent position with Xerox was Vice President, Corporate Research and Technology. Dr. Stoffel serves on the Advisory Board for Research and Graduate Studies at the University of Notre Dame and is a member of the advisory board of the Applied Science and Technology Research Institute, Hong Kong.

Dr. Stoffel's prior service as a senior executive of large, publicly traded, technology driven companies, and his more than 30 years' experience focused on technology development, provide him with an extensive knowledge of the complex technical research and development, management, financial and governance issues faced by a public company with international operations. This experience brings our Board important knowledge and expertise related to research and development, new product introductions, strategic planning, manufacturing, operations and corporate finance. His experience as an advisor to private equity firms also provides him with additional knowledge related to strategic planning, capital raising, mergers and acquisitions and economic analysis. Dr. Stoffel also has gained an understanding of public company governance and executive compensation through his service on public company boards, including as a lead independent director.

#### Board Leadership

The Board does not have a policy regarding the separation of the roles of CEO and Chairman of the Board as the Board believes that it is in the best interests of the Company for the Board to make that determination based on the position and direction of the Company and the membership of the Board. The members of the Board possess considerable experience and unique knowledge of the challenges and opportunities that the Company faces, and are in the best position to evaluate the needs of the Company and how to best organize the capabilities of the directors and management to meet those needs.

When the CEO also serves as Chairman of the Board, our Corporate Governance Guidelines provide for the appointment of a lead independent director.

The Board has determined that having Mr. Mutch serve as Chairman is in the best interest of the Company at this time. This structure ensures a greater role for the independent directors in the oversight of the Company and active participation of the independent directors in setting agendas and establishing Board priorities and procedures, and is

useful in establishing a system of corporate checks and balances. Separating the Chairman position from the CEO position allows the CEO to focus on setting the strategic direction of the Company and the day-to-day leadership and performance of the Company, while the Chairman leads the Board in its role of, among other things, providing advice to, and overseeing the performance of, the CEO. In addition, managing the Board can be a time-intensive responsibility, and this structure permits Mr. Pangia, our CEO, to focus on the management of the Company's day-to-day operations.

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### The Board's Role in Risk Oversight

Assessing and managing risk is the responsibility of the management of the Company. The Board, through the Governance and Nominating Committee, oversees and reviews certain aspects of the Company's risk management efforts, focusing on the adequacy of the Company's risk management and risk mitigation processes. At the Board's request, management proposed a process for identifying, evaluating and monitoring material risks and such process has been approved by the Board and is currently in effect. This risk management program is overseen by senior management who, in connection with their regular review of the overall business, identify and prioritize a broad range of material risks (e.g., financial, strategic, compliance and operational). Senior management also discusses mitigation plans to address such material risks. Prioritized risks and management's plans for mitigating such risks are regularly presented to the full Board for discussion and in order to ensure monitoring. In addition to the risk management program, the Board encourages management to promote a corporate culture that incorporates risk management into the Company's corporate strategy and day-to-day business operations.

A discussion of risk factors in the Company's compensation design can be found below under the heading "Risk Considerations in Our Compensation Program."

### Principles of Corporate Governance, Bylaws and Other Governance Documents

The Board has adopted Corporate Governance Guidelines and other corporate governance documents that supplement certain provisions of our Bylaws and relate to, among other things, the composition, structure, interaction and operation of the Board. Some of the key governance features of our Corporate Governance Guidelines, Bylaws and other governance documents are summarized below.

**Majority Voting in Director Elections.** In an uncontested election of directors, to be elected to the Board, each nominee must receive the affirmative vote of shares representing a majority of the votes cast, meaning that the number of votes "FOR" a director nominee must exceed the number of votes "AGAINST" that director nominee.

Aviat's Corporate Governance Guidelines provide that any director nominee in an uncontested election who does not receive a greater number of votes "FOR" his or her election than votes "AGAINST" such election must, promptly following certification of the stockholder vote, offer his or resignation to the Board for consideration in accordance with the following procedures. All of these procedures will be completed within 90 days following certification of the stockholder vote.

The Board, through its Qualified Independent Directors (as defined below), will evaluate the best interests of the Company and its stockholders and decide the action to be taken with respect to such offered resignation, which can include, without limitation: (i) accepting the resignation; (ii) accepting the resignation effective as of a future date not later than 180 days following certification of the stockholder vote; (iii) rejecting the resignation but addressing what the Qualified Independent Directors believe to be the underlying cause of the withhold votes; (iv) rejecting the resignation but resolving that the director will not be re-nominated in the future for election; or (v) rejecting the resignation.

In reaching their decision, the Qualified Independent Directors will consider all factors they deem relevant, including but not limited to: (i) any stated reasons why stockholders did not vote for such director; (ii) the extent to which the "AGAINST" votes exceed the votes "FOR" the election of the director and whether the "AGAINST" votes represent a majority of the outstanding shares of common stock; (iii) any alternatives for curing the underlying cause of the "AGAINST" votes; (iv) the director's tenure; (v) the director's qualifications; (vi) the director's past and expected future contributions to the Company; (vii) the overall composition of the Board, including whether accepting the resignation would cause the Company to fail or potentially fail to comply with any applicable law, rule or regulation of the SEC or the NASDAQ Listing Rules; and (viii) whether such director's continued service on the Board for a specified period of time is appropriate in light of current or anticipated events involving the Company.

Following the Board's determination, the Company will, within four business days, disclose publicly in a document furnished or filed with the SEC the Board's decision as to whether or not to accept the resignation offer. The disclosure will also include a description of the process by which the decision was reached, including, if applicable, the reason or reasons for rejecting the offered resignation.

A director who is required to offer his or her resignation in accordance with this policy may not be present during the deliberations or voting whether to accept his or her resignation or, except as otherwise provided below, a resignation offered by any other director in accordance with this policy. Prior to voting, the Qualified Independent Directors may



afford the affected director an opportunity to provide any information or statement that he or she deems relevant.

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For purposes of this policy, “Qualified Independent Directors” means all directors who (i) are independent directors (as defined in accordance with the NASDAQ Listing Rules) and (ii) are not required to offer their resignation in connection with an election in accordance with this policy. If there are fewer than three independent directors then serving on the Board who are not required to offer their resignations in accordance with this policy, then the Qualified Independent Directors means all of the independent directors, and each independent director who is required to offer his resignation in accordance with this policy must recuse himself from the deliberations and voting only with respect to his individual offer to resign.

All nominees for election as a director in an uncontested election are deemed to have agreed to abide by this policy and will offer to resign and will resign if requested to do so in accordance with this policy (and will if requested submit an irrevocable resignation letter, subject to this majority voting policy, as a condition to being nominated for election).

**Prohibition Against Pledging Aviat Securities and Hedging Transactions.** In accordance with Aviat’s Code of Conduct, directors and executive officers are prohibited from pledging Aviat securities and engaging in hedging transactions with respect to Aviat securities. Aviat specifically prohibits directors and executive officers from holding Aviat securities in any margin account for investment purposes or otherwise using Aviat securities as collateral for a loan. Such persons are also prohibited from purchasing certain instruments (including prepaid variable forward contracts, equity swaps, and collars) and engaging in transactions designed to hedge or offset any decrease in the value of Aviat securities.

#### Board Committees

The Board maintains an Audit Committee, a Compensation Committee and a Governance and Nominating Committee. Copies of the charters for the Audit Committee, the Compensation Committee and the Governance and Nominating Committee are available on our website at [www.investors.aviatnetworks.com/documents.cfm](http://www.investors.aviatnetworks.com/documents.cfm).

The following table shows, at the conclusion of fiscal year 2016, the Chairman and members of each committee, the number of committee meetings held and the principal functions performed by each committee.

Committee	Number of Meetings in Fiscal 2016	Members	Principal Functions
Audit	11	John Mutch* James R. Henderson William A. Hasler	<ul style="list-style-type: none"> <li>• Selects our independent registered public accounting firm</li> <li>• Reviews reports of our independent registered public accounting firm</li> <li>• Reviews and pre-approves the scope and cost of all services, including all non-audit services, provided by the firm selected to conduct the audit</li> <li>• Monitors the effectiveness of the audit process</li> <li>• Reviews management's assessment of the adequacy of financial reporting and operating controls</li> <li>• Monitors corporate compliance program</li> </ul>
Compensation	6	Dr. James C. Stoffel* John J. Quicke Robert G. Pearse	<ul style="list-style-type: none"> <li>• Reviews our executive compensation policies and strategies</li> <li>• Oversees and evaluates our overall compensation structure and programs</li> </ul>
Governance and Nominating	4	John J. Quicke* Robert G. Pearse William A. Hasler** James R. Henderson**	<ul style="list-style-type: none"> <li>• Develops and implements policies and practices relating to corporate governance</li> <li>• Reviews and monitors implementation of our policies and procedures</li> <li>• Reviews the process by which management identifies and mitigates key areas of risk and reviews critical risk areas with the Board</li> <li>• Assists in developing criteria for open positions on the Board</li> <li>• Reviews and recommends nominees for election of directors to the Board</li> <li>• Reviews and recommends policies, if needed for selection of candidates for directors</li> </ul>

\* Chairman of Committee

\*\* Mr. Hasler served on the Governance and Nominating Committee through the 2nd quarter of fiscal year 2016. Mr. Henderson began serving on the committee beginning 3rd quarter of fiscal year 2016, at which time Mr. Hasler stepped down from the committee.

#### Audit Committee

The Audit Committee is primarily responsible for selecting, and approving the services performed by, our independent registered public accounting firm, as well as reviewing our accounting practices, corporate financial reporting and system of internal controls over financial reporting. No material amendments to the Audit Committee Charter were made during fiscal year 2016. During fiscal year 2016, the Audit Committee was comprised of independent, non-employee members of our Board who were "financially sophisticated" under the NASDAQ Listing Rules. The Board has determined that each of Messrs. Mutch and Hasler qualifies as an "audit committee financial expert," as defined under Item 407(d)(5)(i) of Regulation S-K under the Securities Act of 1933 and the Exchange Act. Such status does not



impose on any director duties, liabilities or obligations that are greater than the duties, liabilities or obligations otherwise imposed on a director as members of our Audit Committee and the Board.

#### Compensation Committee

The Compensation Committee has the authority and responsibility to approve our overall executive compensation strategy, to administer our annual and long-term compensation plans and to review and make recommendations to the Board regarding executive compensation. The Compensation Committee is comprised of independent, non-employee members of the Board in accordance with NASDAQ Listing Rules. During fiscal year 2016, the Compensation Committee utilized Pearl Meyer & Partners, LLC (“Pearl Meyer”) as an independent, third-party consulting firm.

#### Compensation Committee Interlock and Insider Participation

No member of the Compensation Committee was an officer or employee or former officer of the Company. None of our executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or Compensation Committee.

#### Governance and Nominating Committee

Each member of the Governance and Nominating Committee met the independence requirements of the NASDAQ Listing Rules.

The Governance and Nominating Committee develops and implements policies and practices related to corporate governance consistent with sound corporate governance principles. The Governance and Nominating Committee also reviews the process by which management identifies and mitigates key areas of risk and reviews critical risk areas with the Board.

The Governance and Nominating Committee also recommends candidates to the Board and periodically reviews whether a more formal selection policy should be adopted. There is no difference in the manner in which the committee members evaluate nominees for director based on whether the nominee is recommended by a stockholder. We currently do not pay a third party to identify or assist in identifying or evaluating potential nominees, although we may in the future utilize the services of such third parties.

In reviewing potential candidates for the Board, the Governance and Nominating Committee considers the individual’s experience and background. Candidates for the position of director should exhibit proven leadership capabilities, high integrity, exercise high level responsibilities within their chosen career, and possess an ability to quickly grasp complex principles of business, finance, international transactions and communications technologies. In general, candidates who have held an established executive level position in business, finance, law, education, research, government or civic activity will be preferred.

Although the Governance and Nominating Committee has not adopted a formal diversity policy with regard to the selection of director nominees, diversity is one of the factors that the committee considers in identifying director nominees. When identifying and recommending director nominees, the Governance and Nominating Committee views diversity expansively to include, without limitation, concepts such as race, gender, national origin, differences of viewpoint, professional experience, education, skill and other qualities or attributes that contribute to board diversity. As part of this process, the Governance and Nominating Committee evaluates how a particular candidate would strengthen and increase the diversity of the Board in terms of how that candidate may contribute to the Board’s overall balance of perspectives, backgrounds, knowledge, experience, skill sets and expertise in substantive matters pertaining to the Company’s business.

In making its recommendations, the Governance and Nominating Committee bears in mind that the foremost responsibility of a director of a corporation is to represent the interests of the stockholders as a whole. The Governance and Nominating Committee intends to continue to evaluate candidates for election to the Board on the basis of the foregoing criteria.

#### Stockholder Communications with the Board

Stockholders who wish to communicate directly with the Board may do so by submitting a comment via the Company's website at [www.investors.aviatnetworks.com/contactBoard.cfm](http://www.investors.aviatnetworks.com/contactBoard.cfm) or by sending a letter addressed to: Aviat Networks, Inc., c/o Corporate Secretary, 860 N. McCarthy Blvd., Suite 200, Milpitas, California 95035. The Corporate Secretary monitors these communications and provides a summary of all received messages to the Board at its regularly scheduled meetings. When warranted by the nature of communications, the Corporate Secretary will request prompt attention by the appropriate committee or independent director of the Board, independent advisors or management. The Corporate Secretary may decide in her judgment whether a response to any stockholder communication is appropriate.

#### Code of Conduct

We implemented our Code of Conduct effective January 26, 2007. All of our employees, including the CEO, CFO and Principal Accounting Officer, are required to abide by the Code of Conduct to help ensure that our business is conducted in a consistently ethical and legal manner. The Audit Committee has adopted a written policy, and management has implemented a reporting system, intended to encourage our employees to bring to the attention of management and the Audit Committee any complaints regarding the integrity of our internal system of controls over financial reporting, or the accuracy or completeness of financial or other information related to our financial statements.

#### TRANSACTIONS WITH RELATED PERSONS

During fiscal year 2016, we believe there were no transactions, or series of similar transactions, to which we were or are to be a party in which the amount exceeded \$120,000, and in which any of our directors or executive officers, any holders of more than 5% of our common stock or any members of any such person's immediate family, had or will have a direct or indirect material interest, other than compensation described in the sections titled "Director Compensation and Benefits" and "Executive Compensation."

It is the policy and practice of our Board to review and assess information concerning transactions involving related persons. Related persons include our directors and executive officers and their immediate family members. If the determination is made that a related person has a material interest in a transaction involving us, then the disinterested members of our Board would review and approve or ratify it, and we would disclose the transaction in accordance with SEC rules and regulations. If the related person is a member of our Board, or a family member of a director, then that director would not participate in any discussion involving the transaction at issue.

Our Code of Conduct prohibits all employees, including our executive officers, from benefiting personally from any transactions with us other than approved compensation benefits.

#### DIRECTOR COMPENSATION AND BENEFITS

The form and amount of director compensation is reviewed and assessed from time to time by the Compensation Committee with changes, if any, recommended to the Board for action. Director compensation may take the form of cash, equity, and other benefits ordinarily available to directors.

Directors who are not employees of ours received the following fees, as applicable, for their services on our Board during fiscal year 2016:

• \$60,000 basic annual cash retainer, payable on a quarterly basis, which a director may elect to receive in the form of shares of common stock;

• \$25,000 annual cash retainer, payable on a quarterly basis, for service as Chairman of the Board;

• \$10,000 annual cash retainer, payable on a quarterly basis, for service as Chairman of the Audit Committee;

• \$5,000 annual cash retainer, payable on a quarterly basis, for service as Chairman of the Governance and Nominating Committee;

\$8,000 annual cash retainer, payable on a quarterly basis, for service as Chairman of the Compensation Committee; and

Annual grant of restricted shares of common stock valued (based on market prices on the date of grant) at \$60,000, with 100% vesting at the earlier of (1) the day before the annual stockholders' meeting, or (2) one year from grant date, subject to continuing service as a director.

Directors are eligible to defer payment of all or a portion of the retainer fees and restricted stock awards that are payable to them. Directors may choose either a lump sum or installment distribution of such fees and awards.

Installment distributions are payable in annual installments over a period no longer than 10 years.

We reimburse each non-employee director for reasonable travel expenses incurred and in connection with attendance at Board and committee meetings on our behalf, and for expenses such as supplies and continuing director education costs, including travel for one course per year. Employee directors are not compensated for service as a director.

#### Fiscal Year 2016 Compensation of Non-Employee Directors

Our non-employee directors received the following aggregate amounts of compensation in respect of fiscal year 2016:

Name	Fees	Stock	Total
	Earned or Paid in Cash	Awards (2)	
	(\$)	(\$)	(\$)
William A. Hasler	60,000	63,555	123,555
James R. Henderson	60,000	63,555	123,555
Charles D. Kissner (1)	30,000	—	30,000
John Mutch	95,000	63,555	158,555
Robert G. Pearse	60,000	63,555	123,555
John J. Quicke	65,000	63,555	128,555
Dr. James C. Stoffel	68,000	63,555	131,555

1. Mr. Kissner did not stand for re-election as a director in November 2015.

The amounts shown in this column reflect the aggregate grant date fair value of the stock awards and option awards granted to our non-employee directors computed in accordance with FASB ASC Topic 718. The assumptions made in determining the fair values of our stock awards and option awards are set forth in Notes 1 and 8 to our fiscal year 2016 Consolidated Financial Statements in Part II, Item 8 of our Annual Report on Form 10-K for the fiscal year ended July 1, 2016, as filed with the SEC on September 8, 2016.

As of July 1, 2016, our non-employee directors held the following numbers of unvested restricted shares of common stock and stock options, all of which were granted under the 2007 Plan:

Name	Unvested Stock Awards
William A. Hasler	7,462
James R. Henderson	7,462
John Mutch	7,462
Robert G. Pearse	7,462
John J. Quicke	7,462
Dr. James C. Stoffel	7,462

#### Indemnification

Our Bylaws require us to indemnify each of our directors and officers with respect to their activities as a director, officer, or employee of ours, or when serving at our request as a director, officer, or trustee of another corporation, trust, or other enterprise, against losses and expenses (including attorney fees, judgments, fines, and amounts paid in settlement) incurred by them in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, to which they are, or are threatened to be made, a party(ies) as a result of their service to us. In addition, we carry directors' and officers' liability insurance, which includes similar coverage for our directors and executive officers. We will indemnify each such director or officer for any one or a combination of the following, whichever is most advantageous to such director or officer:

• The benefits provided by our Bylaws in effect on the date of the indemnification agreement or at the time expenses are incurred by the director or officer;

• The benefits allowable under Delaware law in effect on the date the indemnification bylaw was adopted, or as such law may be amended;

• The benefits available under liability insurance obtained by us; and

• Such benefits as may otherwise be available to the director or officer under our existing practices.

Under our Bylaws, each director or officer will continue to be indemnified even after ceasing to occupy a position as an officer, director, employee or agent of ours with respect to suits or proceedings arising from his or her service with us.



## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Except as noted below, the following table sets forth information with respect to the beneficial ownership of our common stock as of September 22, 2016 by each person or entity known by us to beneficially own more than 5 percent of our common stock, by our directors, by our nominees for director, by our named executive officers and by all our directors, nominees for director and executive officers as a group. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons listed in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Unless otherwise indicated, the address of each of the beneficial owners identified is c/o Aviat Networks, Inc., 860 N. McCarthy Blvd., Suite 200, Milpitas, California 95035. As of September 22, 2016, there were 5,261,041 shares of our common stock outstanding.

Name and Address of Beneficial Owner	Shares Beneficially Owned as of September 22, 2016 <sup>(1)</sup>	
	Number of Shares of Common Stock <sup>(2)</sup>	Percentage of Voting Power of Common Stock
Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY	670,241 (3)	12.74 %
Schneider Capital Management Corporation 460 E. Swedesford Road, Suite 2000 Wayne, PA 19087	438,206 (4)	8.33 %
Group comprised of Julian Singer, JDS1, LLC and David S. Oros c/o Julian Singer 2200 Fletcher Avenue, Suite 501 Fort Lee, NJ 07024	345,291 (5)	6.56 %
Royce and Associates, LLC 745 Fifth Avenue New York, NY 10151	340,498 (6)	6.47 %