

HARRIS CORP /DE/
Form DEF 14A
September 14, 2005

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**SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11c or Section 240.14a-12

HARRIS CORPORATION

(Name of Registrant as Specified In Its Charter)

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No fee required.

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(3) Filing Party:

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HARRIS CORPORATION

1025 West NASA Boulevard

Melbourne, Florida 32919

September 16, 2005

Dear Fellow Shareholder:

You are cordially invited to attend the 2005 Annual Meeting of Shareholders of Harris Corporation. The meeting will be held at the Phillip W. Farmer Customer Briefing Center located at 1025 West NASA Boulevard in Melbourne, Florida, on Friday, October 28, 2005, starting at 10:00 a.m., local time.

The accompanying notice of the meeting and the proxy statement describe the matters to be acted on at the meeting, which include:

election of four directors for a three-year term expiring in 2008;

approval of the Harris Corporation 2005 Equity Incentive Plan;

approval of the Harris Corporation 2005 Annual Incentive Plan;

ratification of the appointment of independent auditors for fiscal year 2006; and

the transaction of such other business as may properly come before the meeting.

Your Board of Directors believes that the election of its nominees for directors, approval of the Harris Corporation 2005 Equity Incentive Plan, approval of the Harris Corporation 2005 Annual Incentive Plan and the ratification of the appointment of independent auditors are in the best interests of Harris and its shareholders. Accordingly, your Board of Directors recommends a vote FOR the election of the nominees for directors, FOR the approval of the Harris Corporation 2005 Equity Incentive Plan, FOR the approval of the Harris Corporation 2005 Annual Incentive Plan and FOR the ratification of the appointment of Ernst & Young LLP as Harris independent auditors for fiscal year 2006. These matters are discussed in greater detail in the accompanying proxy statement.

Following the voting, I will report on our operations and future plans. There will also be an open discussion period during which your questions and comments will be welcome.

The attendance of shareholders at our annual meetings has been helpful in maintaining communication and understanding. We hope you will be able to join us. Whether or not you plan to attend, it is important that your shares be represented and voted at the meeting. You can ensure that your shares are represented at the meeting by voting over the Internet, by telephone or by using a traditional proxy card. Instructions for these convenient ways to vote are set forth on the enclosed voting instruction card.

Cordially,

Howard L. Lance

Chairman, President and

Chief Executive Officer

YOUR VOTE IS IMPORTANT. PLEASE VOTE BY TELEPHONE OR OVER THE INTERNET OR COMPLETE, SIGN, DATE AND RETURN YOUR PROXY CARD.

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HARRIS CORPORATION
1025 West NASA Boulevard
Melbourne, Florida 32919

**Notice of 2005
Annual Meeting of Shareholders
to be held October 28, 2005**

TO THE HOLDERS OF COMMON STOCK
OF HARRIS CORPORATION:

NOTICE IS HEREBY GIVEN that the 2005 Annual Meeting of Shareholders of Harris Corporation will be held at Harris Corporation's Phillip W. Farmer Customer Briefing Center located at 1025 West NASA Boulevard, Melbourne, Florida, on Friday, October 28, 2005, at 10:00 a.m., local time, for the following purposes:

1. to elect four directors for a three-year term expiring at the 2008 Annual Meeting of Shareholders;
2. to approve the Harris Corporation 2005 Equity Incentive Plan;
3. to approve the Harris Corporation 2005 Annual Incentive Plan;
4. to ratify the appointment by the Audit Committee of Ernst & Young LLP as Harris' independent auditors for fiscal year 2006; and
5. to consider and act upon such other business as may properly come before the Annual Meeting or any adjournments thereof.

Only holders of common stock of record at the close of business on August 31, 2005 are entitled to notice of and to vote at the Annual Meeting and all adjournments or postponements thereof.

By Order of the Board of Directors

Scott T. Mikuen
Corporate Secretary

Melbourne, Florida
September 16, 2005

IMPORTANT NOTICE

Your vote is important. If you do not expect to attend the Annual Meeting of Shareholders or if you plan to attend but wish to vote by proxy, please vote over the Internet or by telephone or by completing, dating, signing and promptly mailing the enclosed proxy card for which a return envelope is provided.

**HARRIS CORPORATION
2005 ANNUAL MEETING OF SHAREHOLDERS
PROXY STATEMENT
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Proxy Statement
2005 Annual Meeting of Shareholders
to be held October 28, 2005

GENERAL INFORMATION ABOUT THE MEETING

**Why am I receiving this
proxy statement?**

We are furnishing this proxy statement to you in connection with the solicitation of proxies by the Board of Directors of Harris Corporation (which we refer to as Harris, we, our or us) for use at the 2005 Annual Meeting of Shareholders to be held on October 28, 2005, and at any adjournments or postponements thereof.

On September 16, 2005, we commenced mailing to our shareholders: (1) this proxy statement, (2) the accompanying proxy card and instructions, and (3) a copy of our 2005 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the fiscal year ended July 1, 2005.

What is a proxy?

A proxy is your legal designation of another person to vote the shares you own. That other person is called a proxy. If you designate someone as your proxy, the document in which you make that designation is also called a proxy.

What is a proxy statement?

This document is a proxy statement. It is a document that we are required by law to give you when we ask you to name a proxy to vote your shares. We encourage you to read this proxy statement carefully.

What is the purpose of the meeting?

The purpose of the 2005 Annual Meeting of Shareholders is to obtain shareholder action on the matters outlined in the notice of meeting included with this proxy statement. These matters include: the election of four directors with a three-year term expiring at the 2008 Annual Meeting of Shareholders; approval of the Harris Corporation 2005 Equity Incentive Plan; approval of the Harris Corporation 2005 Annual Incentive Plan; and the ratification of the appointment by our Audit Committee of Ernst & Young LLP as our independent auditors for fiscal year 2006. This proxy statement provides you with detailed information about each of these matters.

**What is a record date and
what does it mean?**

The record date for the shareholders entitled to vote at the 2005 Annual Meeting is August 31, 2005. The record date was established by the Board as required by Delaware law. Owners of record of shares of Harris common stock at the close of business on the record date are entitled to receive notice of the 2005 Annual Meeting and to vote at the 2005 Annual Meeting and at any adjournments or postponements thereof.

**How many shares can be voted and
what is a quorum?**

You are entitled to one vote for each share of Harris common stock that you own as of the close of business on August 31, 2005. Only our common stock has voting rights. On the record date, there were 133,476,739 shares outstanding and approximately 7,440 holders of record.

A quorum is the minimum number of shares that must be represented in person or by proxy in order for us to conduct the Annual Meeting. The attendance by proxy or in person of holders of a majority of the shares of common stock entitled to vote at the Annual Meeting, or 66,738,371 shares of common stock based on the record date of August 31, 2005, will constitute a quorum to hold the Annual Meeting. If you grant your proxy over the Internet, by phone or by proxy card, your shares will be considered part of the quorum.

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What different methods can I use to vote?

You have a choice of voting:

- By telephone;
- Over the Internet;
- By mail; or
- In person at the Annual Meeting.

Even if you plan to attend the Annual Meeting, you may vote by telephone, over the Internet or by mail. Please carefully read the instructions below on how to vote your shares. Because the instructions vary depending on how you hold your shares and the method you use to vote, it is important that you follow the instructions that apply to your particular situation.

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

What is the difference between a record owner and an owner holding shares in street name ?

If your shares are registered in your name, you are a *record holder*. You will be a record holder if you hold a stock certificate or if you have an account with our transfer agent, Mellon Investor Services LLC. If your shares are registered or held in the name of your broker or bank or other nominee, your shares are held in *street name*.

How do I vote if my shares are held in my name?

Voting by telephone

Voting by telephone is simple and fast. Call the toll-free telephone number on your proxy card and voting instruction form and listen for further directions. To respond to the questions, you must have a touch-tone phone and need to have your proxy card and voting instruction form in hand. This vote will be counted immediately, and there is no need to send in your proxy card.

Voting over the Internet

Voting over the Internet is also easy and fast. Read your proxy card and voting instruction form and follow the directions. This vote will be counted immediately, and there is no need to send in your proxy card.

Voting by mail

If you are a shareholder of record, you can save Harris expense by voting by telephone or over the Internet. Alternatively, you can vote by mail by completing, signing, dating and mailing the enclosed proxy card in the postage-paid envelope provided.

Voting in person at the meeting

If you plan to attend the Annual Meeting, you can vote in person. To vote in person at the Annual Meeting, you will need to bring proper personal identification and evidence of your share ownership with you to the Annual Meeting.

How do I vote if my shares are held in street name ?

Voting by mail or telephone or over the Internet

If your shares are held in the name of your broker, bank or other nominee, you should vote your shares using the method directed by your broker, bank or other nominee. A large number of banks and brokerage firms are participating in online voting programs. These programs provide eligible street name shareholders the opportunity to vote over the Internet or by telephone. Voting forms will provide instructions for shareholders whose banks or brokerage firms are participating in such programs.

Voting in person at the meeting

If you plan to attend the Annual Meeting and to vote in person, you should contact your broker, bank or other nominee to obtain a broker's proxy and bring it, together with proper personal identification and your account statement or other evidence of your share ownership, with you to the Annual Meeting.

Can I revoke my proxy?

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As long as your shares are registered in your name, you may revoke your proxy at any time before the Annual Meeting. There are several ways you can do this:

By filing a written notice of revocation with our Corporate Secretary at Harris Corporation, 1025 West NASA Boulevard, Melbourne, Florida 32919;

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By duly signing and delivering a proxy that bears a later date;

By subsequently voting by telephone or over the Internet as described above; or

By attending the Annual Meeting and voting in person.

If your shares are held in street name, you must contact your broker, bank or other nominee to revoke your proxy.

**What are my voting choices and
what is the required vote?**

By giving us your proxy, you authorize Harris management to vote your shares at the 2005 Annual Meeting or at any adjournments or postponements thereof in the manner you indicate.

Proposal 1: Election of Directors

With respect to the proposal to elect four nominees for director, you may:

Vote for the election of all four of the nominees for director named in this proxy statement;

Withhold authority to vote for all four of the nominees; or

Withhold authority to vote for one or more of the nominees and vote for the remaining nominee or nominees.

The four nominees receiving the greatest number of votes will be elected to serve as directors. Non-voted shares and shares for which votes are withheld will not affect the outcome of the election of directors.

Proposal Approval of the Harris Corporation 2005 Equity Incentive Plan

2:

With respect to the proposal to approve the Harris Corporation 2005 Equity Incentive Plan, you may:

Vote for approval of the plan;

Vote against approval of the plan; or

Abstain from voting on the proposal.

The affirmative vote of a majority of the shares represented at the Annual Meeting and entitled to vote on this proposal will be required to approve the Harris Corporation 2005 Equity Incentive Plan. Abstaining from voting on this matter will have the effect of a vote against approval of the Harris Corporation 2005 Equity Incentive Plan.

Proposal Approval of the Harris Corporation 2005 Annual Incentive Plan

3:

With respect to the proposal to approve the Harris Corporation 2005 Annual Incentive Plan, you may:

Vote for approval of the plan;

Vote against approval of the plan; or

Abstain from voting on the proposal.

The affirmative vote of a majority of the shares represented at the Annual Meeting and entitled to vote on this proposal will be required to approve the Harris Corporation 2005 Annual Incentive Plan. Abstaining from voting on this matter will have the effect of a vote against approval of the Harris Corporation 2005 Annual Incentive Plan.

Proposal 4: Ratification of the Appointment of Independent Auditors

With respect to the proposal to ratify the appointment by our Audit Committee of Ernst & Young LLP as our independent auditors for fiscal year 2006, you may:

Vote for ratification;

Vote against ratification; or

Abstain from voting on the proposal.

The affirmative vote of a majority of the shares represented at the Annual Meeting and entitled to vote on this proposal will be required to ratify the appointment of independent auditors. Abstaining from voting on this matter will have the effect of a vote against ratification of the appointment of the independent auditors.

**How do I vote shares held in
the Harris 401(k) Retirement Plan?**

If you are a participant in Harris 401(k) Retirement Plan (401(k) Plan) and you own shares of Harris common stock through the 401(k) Plan, the proxy and instruction card sent to you also will serve as a voting instruction card to the trustee of the 401(k) Plan for all shares of our

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common stock you own through the 401(k) Plan. If you do not provide voting instructions for such shares, as directed by the terms of the 401(k) Plan, those shares will be voted by the trustee in the same proportion as the shares for which other participants have timely provided voting instructions.

How do I vote shares held in the Harris Dividend Reinvestment Plan?

If you are a participant in the Harris Dividend Reinvestment Plan (DRIP) administered by Mellon Bank, N.A., your proxy card covers the Harris common stock held in your DRIP account. Mellon Bank, N.A., as the DRIP administrator, is the shareholder of record of our common stock owned through the DRIP and will not vote those shares unless you provide it with instructions, which you may do over the Internet, by telephone or by mail using your proxy card.

What happens if I return an unmarked proxy card?

If you return your proxy card with no votes marked, your shares will be voted as follows:

FOR the election of all four of the nominees for director named in this proxy statement;

FOR the approval of the Harris Corporation 2005 Equity Incentive Plan;

FOR the approval of the Harris Corporation 2005 Annual Incentive Plan; and

FOR the ratification of the appointment by our Audit Committee of Ernst & Young LLP as our independent auditors for fiscal year 2006.

With respect to other matters that may properly be brought before the Annual Meeting, your shares will be voted in the discretion of the proxy holders.

How are broker non-votes counted?

It is possible for a proxy to indicate that some of the shares represented are not being voted with respect to certain proposals. This occurs, for example, when a broker, bank or other nominee does not have discretion under the New York Stock Exchange (NYSE) rules to vote on a matter without instructions from the beneficial owner of the shares and has not received such instructions. In these cases, non-voted shares will not be considered present and entitled to vote with respect to that matter, although they may be considered present and entitled to vote for other purposes and will be counted in determining the presence of a quorum. Accordingly, if a quorum is present at the meeting, non-voted shares concerning a particular proposal will not affect the outcome of that proposal. Under the NYSE rules, brokers have discretionary voting power on routine matters, but not on non-routine matters. Routine matters include, among other things, the election of directors and the ratification of the appointment of auditors. Brokers, banks and other nominees will not have discretionary authority to vote on the proposal to approve the Harris Corporation 2005 Equity Incentive Plan or the proposal to approve the Harris Corporation 2005 Annual Incentive Plan. Accordingly, a non-vote by a broker, bank or other nominee will not be counted for voting purposes with respect to these proposals.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means you own shares in multiple accounts with brokers and/or our transfer agent. Please vote all of these shares. We recommend that you contact your broker and/or our transfer agent to consolidate as many accounts as possible under the same name and address. Our transfer agent is Mellon Investor Services LLC, which may be reached by telephone at 1-888-261-6777 or over the Internet at www.melloninvestor.com.

Who pays for the solicitation of proxies?

We actively solicit proxy participation. We will bear the cost of soliciting proxies, including the cost of preparation, assembly, printing and mailing. In addition to this proxy statement, we request and encourage brokers, custodians, nominees and others to supply proxy materials to shareholders, and, upon request, we will reimburse them for their expenses. Our officers and employees may, by letter, telephone, electronic mail or in person, make additional requests for the return of proxies, although we do not reimburse our own employees for soliciting proxies. We have

also

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hired Georgeson Shareholder Communications Inc. for a fee of \$19,000 plus out-of-pocket expenses to help solicit proxies. We will also reimburse brokers and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to our shareholders in accordance with the fee schedule approved by the NYSE.

May I access this year's proxy statement and annual report over the internet?

This proxy statement and our 2005 Annual Report, which includes our Annual Report on Form 10-K, are available by accessing the Corporate Governance and Investor Relations sections of our website, at www.harris.com.

**Webcast of the
Annual Meeting of Shareholders**

Our Annual Meeting will be webcast live on October 28, 2005. You may visit the Investor Relations section of our website, the address of which is www.harris.com/investor-relations.html, to access the webcast of the Annual Meeting. The webcast will enable you to listen only. You will not be able to ask questions. An archived copy of the webcast also will be available on our website through November 25, 2005. The information contained on our website is not incorporated by reference into this proxy statement.

**Where can I find the voting results
of the Annual Meeting?**

We intend to announce the preliminary voting results at the Annual Meeting and to publish final results in our quarterly report on Form 10-Q for the second quarter of fiscal 2006, which we will file with the SEC and make available on our website, www.harris.com.

Two-for-One Stock Split

On February 25, 2005, our Board approved a two-for-one stock split of our common stock. The stock split was effected in the form of a 100 percent stock dividend distributed on March 30, 2005 to shareholders of record on March 14, 2005 (the Stock Split). All references to share amounts, number of options and per share amounts in this proxy statement have been retroactively restated to reflect the effect of the Stock Split for all periods.

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CORPORATE GOVERNANCE

PROPOSAL 1: ELECTION OF DIRECTORS TERM EXPIRING IN 2008

Our Restated Certificate of Incorporation provides that our Board of Directors shall consist of not less than eight or more than thirteen directors, the exact number of directors to be determined from time to time by the Board of Directors. The authorized number of directors is presently fixed at *eleven*. Our Restated Certificate of Incorporation also classifies our Board of Directors into three classes of approximately equal size with three-year terms of office ending in different years.

This year, the terms of Ms. Katen and Messrs. Hay, Kaufman and Tookes expire at the 2005 Annual Meeting. Based upon the recommendation of the Corporate Governance Committee, Ms. Katen and Messrs. Hay, Kaufman and Tookes have each been nominated by the Board for a new three-year term expiring at the Annual Meeting of Shareholders in 2008. The terms of our other directors will expire at subsequent Annual Meetings of Shareholders. In accordance with our Restated Certificate of Incorporation, a director holds office until the Annual Meeting of Shareholders for the year in which that director's term expires, and until that director's successor is elected and qualified, subject, however, to his or her prior death, resignation, retirement, disqualification, or removal from office. Vacancies may be filled by the remaining directors.

Proxies will be voted in favor of electing Ms. Katen and Messrs. Hay, Kaufman and Tookes to serve for the three-year term expiring at the Annual Meeting of Shareholders in 2008, unless otherwise specified in the proxy card or Internet or telephone voting instructions. Each of the nominees has consented to stand for election. If any nominee becomes unavailable for election, proxies voting for that nominee may be voted for a substitute nominee selected by the Board or, in lieu thereof, the Board may reduce the number of directors.

None of the directors, including each of the nominees, is related to any other director, or to any executive officer of Harris or its subsidiaries, by blood, marriage or adoption.

Biographical summaries of the nominees and of the continuing directors appear on subsequent pages, and data with respect to the number of shares of our common stock beneficially owned by them as of July 22, 2005 are set forth in the table on page 20.

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NOMINEES FOR ELECTION TERM EXPIRING IN 2008

Lewis Hay III, 49, is Chairman, President and Chief Executive Officer of FPL Group, Inc., a public utility holding company, and is Chairman and Chief Executive Officer of Florida Power and Light Company. He joined FPL Group in 1999 as Vice President, Finance and Chief Financial Officer. From March 2000 until December 2001, he served as President of FPL Group's non-utility power-generation subsidiary, FPL Energy, LLC. He was named President and Chief Executive Officer of FPL Group in June 2001, and he was named Chairman in January 2002.

Mr. Hay has been a member of our Board of Directors since February 2002 and is Chairperson of the Corporate Governance Committee and a member of the Audit Committee, the Business Conduct Committee and the Executive and Finance Committee.

Mr. Hay is also a director of Capital One Financial Corporation, a member of the Board of Trustees of the University of Miami and a member of the Business Board of Advisors of the Tepper School of Business at Carnegie Mellon University.

Karen Katen, 56, Vice Chairman, Pfizer Inc. and President of Pfizer Human Health since March 2005. Ms. Katen held offices of President, Pfizer Global Pharmaceuticals and Executive Vice President, Pfizer Inc. from 2001 to March 2005. Ms. Katen joined Pfizer in 1974.

Ms. Katen has been a member of our Board of Directors since 1994 and is Chairperson of the Business Conduct Committee and a member of the Executive and Finance Committee and the Management Development and Compensation Committee.

Ms. Katen is also a director of General Motors Corporation. She is a member of the Healthcare Leadership Council, is the Chairman of the U.S.-Japan Business Council and was an appointee to the 2003 U.S.-Japan Private Sector/Government Commission and the National Infrastructure Advisory Committee. Ms. Katen is a board member of the Pharmaceutical Research and Manufacturers Association of America, the National Alliance for Hispanic Health, Catalyst and RAND. Ms. Katen also is on the national board of trustees for the American Cancer Society Research Foundation and the board of trustees for the Economic Club of New York, is a trustee for the University of Chicago and is a council member of the Graduate School of Business at the University of Chicago.

Stephen P. Kaufman, 63, is retired Chairman and Chief Executive Officer of Arrow Electronics, Inc., a distributor of semiconductors, peripherals and components. He became President and Chief Operating Officer of Arrow in 1985, Chief Executive Officer in 1986, and Chairman in 1994. He retired as Chief Executive Officer in June 2000 and reassumed that position in June 2002 on an interim basis until September 2002. In January 2001 Mr. Kaufman was appointed a senior lecturer at the Harvard Business School. Prior to joining Arrow, he served in executive capacities with Midland-Ross Corporation.

Mr. Kaufman has been a member of our Board of Directors since December 1999 and is Chairperson of the Management Development and Compensation Committee and a member of the Business Conduct Committee, the Corporate Governance Committee and the Executive and Finance Committee.

Mr. Kaufman is also a director of KLA-Tencor Corporation and Freescale Semiconductor Corporation.

Hansel E. Tookes II, 57, retired from Raytheon Company in December 2002. He joined Raytheon in September 1999 as President and Chief Operating Officer of its Raytheon Aircraft Company subsidiary, a commercial, military and regional aircraft manufacturing company. He was appointed Chief Executive Officer of Raytheon Aircraft Company in January 2000 and Chairman in August 2000. He became President of Raytheon International in May 2001. Prior to joining Raytheon in 1999, he served United Technologies Corporation as President of its Pratt & Whitney Large Military Engines Group since 1996. He joined United Technologies Corporation in 1980 and held a variety of senior leadership positions.

Mr. Tookes has been a member of our Board of Directors since April 2005 and is a member of the Business Conduct Committee.

Mr. Tookes is also a director of Ryder System, Inc., FPL Group, Inc., and Corning Incorporated, and is a member of the National Academies Aeronautics and Space Engineering Board.

Recommendation Regarding Proposal 1

The four nominees receiving the greatest number of votes will be elected to serve as directors. Non-voted shares and shares for which votes are withheld will not affect the outcome of the election of directors.

Our Board of Directors recommends that you vote FOR each of the nominees.

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CURRENT DIRECTORS NOT UP FOR ELECTION

Biographical summaries of our current directors whose terms continue to run until the 2006 or 2007 Annual Meeting of Shareholders appear below.

Term Expiring in 2006

Terry D. Growcock, 59, is Chairman and Chief Executive Officer of The Manitowoc Company, Inc. a diversified industrial manufacturer of cranes and foodservice equipment and a provider of ship building and ship repair services. He joined Manitowoc in 1994 as Executive Vice President and General Manager of Manitowoc Ice; became President of Manitowoc Foodservice Group in 1995 and served in that capacity until his promotion to President, Chief Executive Officer and a member of the Board of Directors of The Manitowoc Company, Inc. in 1998. Mr. Growcock has also been Chairman of Manitowoc since October 2002. Prior to joining Manitowoc, Mr. Growcock served as Vice President and General Manager of Robertshaw Automotive, a subsidiary of Siebe plc. Mr. Growcock has been a member of our Board of Directors since August 2005 and is a member of the Business Conduct Committee.

In addition to being on the Manitowoc Board, Mr. Growcock is also a director of Bemis Manufacturing Company, Vice Chairman of Wisconsin Manufacturers and Commerce, an advisory member of the Kelley School of Business at Indiana University and a director of the National Association of Manufacturers.

Leslie F. Kenne, Lieutenant General U.S.A.F. (Ret.), 57, retired in September 2003 from the U.S. Air Force, where she had most recently been Deputy Chief of Staff for Warfighting Integration at Air Force headquarters in Washington, D.C. Previously, she commanded the Electronic Systems Center at Hanscom Air Force Base in Massachusetts. She also directed a number of major procurement programs, including the F-16 and Joint Strike Fighter programs. Following her retirement from the U.S. Air Force, Ms. Kenne became President of LK Associates, a private independent consulting firm.

Ms. Kenne has been a member of our Board of Directors since April 2004 and is a member of the Business Conduct Committee and the Corporate Governance Committee.

Ms. Kenne is also a director of EDO Corporation.

David B. Rickard, 58, is Executive Vice President, Chief Financial Officer and Chief Administrative Officer of CVS Corporation and CVS Pharmacy, Inc., a retail drugstore chain. He has held this position since joining CVS in September 1999. Prior to joining CVS, he was Senior Vice President and Chief Financial Officer of RJR Nabisco Holdings Corporation from March 1997 to August 1999. Previously, he was Executive Vice President of International Distillers and Vintners Americas.

Mr. Rickard has been a member of our Board of Directors since October 2001 and is Chairperson of the Audit Committee and a member of the Business Conduct Committee and the Executive and Finance Committee.

Mr. Rickard is also a director of The May Department Stores Company.

Gregory T. Swinton, 55, is Chairman and Chief Executive Officer of Ryder System, Inc., a logistics and transportation services company. He joined Ryder in June 1999 as President and Chief Operating Officer, and was named Chief Executive Officer in November 2000 and Chairman in May 2002. Prior to joining Ryder, he was Senior Vice President-Growth Initiatives of Burlington Northern Santa Fe Corporation (BNSF). He held senior positions with BNSF and the former Burlington Northern Railroad from 1994 to 1999, and various executive and management positions with DHL Worldwide Express from 1982 to 1994.

Mr. Swinton has been a member of our Board of Directors since February 2000 and is a member of the Audit Committee, the Business Conduct Committee and the Management Development and Compensation Committee. In addition to being on the Ryder board, he is also on the Board of Trustees of St. Thomas University in Miami, Florida.

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Term Expiring in 2007

Howard L. Lance, 49, is our Chairman of the Board, President and Chief Executive Officer. Mr. Lance joined Harris in January 2003 as President and Chief Executive Officer and was appointed Chairman in June 2003. Mr. Lance was President of NCR Corporation, an information technology services provider, and Chief Operating Officer of its Retail and Financial Group from July 2001 until October 2002. Prior to joining NCR, he spent 17 years with Emerson Electric Company, an electronic products and systems company, where he held increasingly senior management positions with different divisions of the company. In 1999, Mr. Lance was named Executive Vice President with operating responsibility for its Electronics and Telecommunications businesses. Earlier, Mr. Lance held sales and marketing positions with the Scott-Fetzer Company and Caterpillar, Inc.

Mr. Lance has been a member of our Board of Directors since January 2003. He is Chairperson of the Executive and Finance Committee.

Mr. Lance serves as a member of the Board of Governors of the Aerospace Industries Association, the Executive Committee of the Manufacturers Alliance/MAPI, Inc., the Florida Council of 100 and the United Way of Brevard County and is a trustee of the Florida Institute of Technology.

Thomas A. Dattilo, 54, is Chairman, President and Chief Executive Officer of Cooper Tire & Rubber Company, a company that specializes in the design, manufacture and sales of tires and tread rubber and related equipment. He joined Cooper in January 1999 as President and Chief Operating Officer and became Chairman and Chief Executive Officer in April 2000. Prior to joining Cooper, he held senior positions with Dana Corporation. His last position with Dana was President of its sealing products group.

Mr. Dattilo has been a member of our Board of Directors since August 2001 and is a member of the Audit Committee, the Business Conduct Committee and the Corporate Governance Committee.

In addition to being on the Cooper Tire & Rubber Company board, he is also Chairman of the Rubber Manufacturers Association and Vice-Chairman of the Board of Trustees of the Manufacturers Alliance.

Dr. James C. Stoffel, 59, is a retired Senior Vice President, Chief Technical Officer, and Director of Research and Development of Eastman Kodak Company, a film and digital imaging company. He held this position from 2000 to April 2005. He joined Kodak in 1997 as Vice President, 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 where he began his career in 1972. His most recent position with Xerox was Vice President, Corporate Research and Technology.

Dr. Stoffel has been a member of our Board of Directors since August 2003 and is a member of the Business Conduct Committee and the Management Development and Compensation Committee.

Dr. Stoffel is also a trustee of the George Eastman House museum. He serves on the Advisory Board for Research and Graduate Studies at the University of Notre Dame and is Vice Chairman of the Board of the Information Technologies Industries Association and a member of the advisory board of ASTRI, Hong Kong.

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ADDITIONAL INFORMATION CONCERNING OUR BOARD OF DIRECTORS

Our business, property and affairs are managed under the direction of our Board of Directors. Members of the Board are kept informed of our business through discussions with the Chairman and officers, by reviewing materials provided to them or requested by them, by visiting our offices and plants and by participating in meetings of the Board and its committees.

Corporate Governance Principles

Our Board of Directors has long been focused on and committed to responsible and effective corporate governance. Our Board of Directors has previously adopted Corporate Governance Principles which trace their history to 1960 and which have evolved and been revised over time. Our Corporate Governance Committee is responsible for overseeing the Corporate Governance Principles and reporting and making recommendations to our Board concerning corporate governance matters. Our Corporate Governance Principles address matters including board composition, director independence, selection of Board nominees, Board membership criteria, director compensation, mandatory retirement, meetings, executive sessions of non-management directors, evaluation of the Chief Executive Officer, committees, succession planning, director responsibilities, orientation and continuing education, and self-evaluation of the Board and Board committees. A copy of our Corporate Governance Principles is attached as *Appendix A* to this proxy statement and is also available on the Corporate Governance section of our website at www.harris.com/harris/cg/.

Director Independence

The NYSE listing standards and our Corporate Governance Principles require us to have a board of directors with at least a majority of independent directors. Our Board of Directors has, and has had for many years, a substantial majority of independent directors. Our Board has adopted Director Independence Standards to assist in the evaluation of the independence of each of our directors. A copy of the Director Independence Standards is attached as *Appendix B* to this proxy statement and is also available on the Corporate Governance section of our website at www.harris.com/harris/cg/. Based upon the NYSE listing standards and our Director Independence Standards, our Board has affirmatively determined that all of our directors (including each nominee for election), with the exception of Mr. Lance, our Chairman, President and Chief Executive Officer, are independent and have no material relationship with Harris other than as a director. The Board based these determinations primarily on a review of the responses of the directors to questions regarding each director's commercial, industrial, banking, consulting, legal, accounting, charitable and family relationships, and discussions with the directors and nominees.

Meetings and Attendance

In fiscal 2005, our Board of Directors held six regular meetings and one special meeting, and the standing committees of our Board met a total of nineteen times. Each director attended at least 75% of the meetings of the Board and of those committees of which he or she was a member. All of the directors attended an average of 96% of such meetings of the Board and committees on which they serve.

Executive Sessions of Outside Directors

The Board and its committees meet throughout the year on a set schedule and also hold special meetings and act by written consent from time to time as appropriate. Board agendas for scheduled meetings also include regularly scheduled executive sessions of non-management directors. The Board of Directors has implemented a system to annually rotate the Board member who chairs these executive sessions of non-management directors among the chairpersons of each of our standing committees, in alphabetical order by committee name (Audit, Business Conduct, etc.).

Committees

Currently our Board has five standing committees to assist in the discharge of its responsibilities. The principal functions of each committee are described below.

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Audit Committee

The Audit Committee assists the Board in fulfilling its responsibilities to oversee, among other things:

The integrity of our financial statements;

Our compliance with legal and regulatory requirements;

The independent auditors' qualifications and independence; and

The performance of the independent auditors and our internal audit function.

The purposes and responsibilities of the Audit Committee also include the following:

Directly appointing, compensating, retaining, terminating and overseeing our independent auditors;

Pre-approving, or adopting appropriate procedures to pre-approve, all audit services, internal control-related services and non-audit services to be provided by the independent auditors;

Reviewing and discussing with the independent auditors and management any major issues regarding accounting principles and financial statement presentations, including any significant changes in the selection or application of accounting principles, and major issues concerning the adequacy of our internal controls and any special audit steps adopted in light of any material control deficiencies, and the effect of regulatory and accounting initiatives as well as off-balance sheet structures on our financial statements;

Reviewing and discussing with the independent auditors and management significant risks and exposures, if any, and the steps to monitor and minimize such risks and exposures;

Reviewing and discussing our earnings press releases and the types of financial information and guidance provided, and the types of presentations made, to analysts and rating agencies; and

Reviewing and discussing with the independent auditors and management quarterly and year-end operating results, reviewing interim financial statements prior to their inclusion in Form 10-Q filings, and recommending to the Board of Directors the inclusion of the financial statements in our Annual Report on Form 10-K.

A more detailed discussion of the Audit Committee's duties and responsibilities is contained in the Audit Committee Charter. A copy of this Charter is available on the Corporate Governance section of our website at www.harris.com/harris/cg/. A copy of the Charter is also available to shareholders free of charge upon written request to our Corporate Secretary at Harris Corporation, 1025 West NASA Boulevard, Melbourne, Florida 32919.

Our Board of Directors has determined that each member of the Audit Committee is independent within the meaning of the NYSE listing standards, the Sarbanes-Oxley Act of 2002 and related SEC rules and our Director Independence Standards. Our Board has also determined that each of the members of the Audit Committee satisfies the financial literacy requirements of the NYSE and has accounting or related financial management expertise and that David B. Rickard satisfies the audit committee financial expert criteria as that term is defined by regulation of the SEC and that he is independent of management of Harris.

The Audit Committee held seven meetings during the past fiscal year, including meeting regularly with Ernst & Young LLP and the internal auditors, both privately and with management present.

Management Development and Compensation Committee

The purposes and responsibilities of the Management Development and Compensation Committee include the following:

Reviewing and evaluating plans for management training and development and organizational structure, and recommending to the Board of Directors for its approval individuals for election as executive officers and other

corporate officers;

Overseeing and reviewing our overall compensation philosophy and establishing the compensation, perquisites and other benefits of our officers and management;

Reviewing and approving corporate goals and objectives relevant to the compensation

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of our Chief Executive Officer, evaluating his performance in light of those goals, and together with all independent directors, determining and approving the Chief Executive Officer's annual salary, bonus, stock incentives and other benefits based on this evaluation;

Reviewing and approving the use and the terms of employment, separation, severance and change of control agreements and any special arrangements in the event of termination of employment, death or retirement of corporate officers (together, in the case of our Chief Executive Officer, with all independent directors); and

Administering our stock-based compensation plans.

Our Board of Directors has determined that each member of the Management Development and Compensation Committee is independent under the rules of the NYSE and our Director Independence Standards. The Management Development and Compensation Committee held five meetings during the past fiscal year. The Management Development and Compensation Committee has a Charter which is available on the Corporate Governance section of our website at www.harris.com/harris/cg/. A copy of the Charter is also available to shareholders free of charge upon written request to our Corporate Secretary at Harris Corporation, 1025 West NASA Boulevard, Melbourne, Florida 32919.

Corporate Governance Committee

The purposes and responsibilities of the Corporate Governance Committee include the following:

Identifying individuals believed to be qualified to become Board members consistent with criteria approved by the Board, and recommending nominees to stand for election at annual meetings of shareholders or to fill vacancies;

Adopting a policy and procedure for consideration of candidates recommended by our shareholders;

Developing, implementing and overseeing our Corporate Governance Principles;

Developing, reviewing and recommending director compensation, perquisites and benefit plans;

Recommending committees of the Board and committee assignments;

Reviewing the functions of committees of the Board of Directors and recommending changes as deemed appropriate;

Setting meeting schedules for the Board of Directors and recommending meeting schedules for the Board's committees; and

Facilitating the Board's evaluation of the Board's effectiveness.

Our Board of Directors has determined that each member of the Corporate Governance Committee is independent under the rules of the NYSE and our Director Independence Standards. The Corporate Governance Committee held three meetings during the past fiscal year. The Corporate Governance Committee has a Charter which is available on the Corporate Governance section of our website at www.harris.com/harris/cg/. A copy of the Charter is also available to shareholders free of charge upon written request to our Corporate Secretary at Harris Corporation, 1025 West NASA Boulevard, Melbourne, Florida 32919.

Business Conduct Committee

The Business Conduct Committee reviews and oversees our continuing program relating to standards and controls within Harris for compliance with our standards of business conduct, sound ethical business practices and legal requirements in connection with our business. The Business Conduct Committee held two meetings during the past fiscal year. The Business Conduct Committee has a Charter which is available on the Corporate Governance section of our website at www.harris.com/harris/cg/. A copy of the Charter is also available to shareholders free of charge

upon written request to our Corporate Secretary at Harris Corporation, 1025 West NASA Boulevard, Melbourne, Florida 32919.

Executive and Finance Committee

The Executive and Finance Committee is authorized to periodically review our financial position, capital structure, working capital, capital transactions, acquisitions and divestitures, financial

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and investment aspects of our benefit plans and, during the intervals between meetings of the Board of Directors, to the extent permitted by law, to exercise all powers of the Board (except for certain reserved matters) in the management of our business. The Executive and Finance Committee also reviews our dividend policy, capital asset plan and share repurchase policy and makes recommendations to the Board relating to such plan or policies. The Executive and Finance Committee held two meetings during the past fiscal year. The Executive and Finance Committee has a Charter which is available on the Corporate Governance section of our website at www.harris.com/harris/cg/. A copy of the Charter is also available to shareholders free of charge upon written request to our Corporate Secretary at Harris Corporation, 1025 West NASA Boulevard, Melbourne, Florida 32919.

COMMITTEE MEMBERSHIP

The current committee members for each of the five standing committees of our Board of Directors are as follows, with the chairperson listed first:

Audit	Business Conduct	Corporate Governance	Executive and Finance	Management Development and Compensation
David B. Rickard	Karen Katen	Lewis Hay III	Howard L. Lance	Stephen P. Kaufman
Thomas A. Dattilo	Thomas A. Dattilo	Thomas A. Dattilo	Lewis Hay III	Karen Katen
Lewis Hay III	Terry D. Growcock	Stephen P. Kaufman	Karen Katen	Dr. James C. Stoffel
Gregory T. Swienton	Lewis Hay III	Leslie F. Kenne	Stephen P. Kaufman	Gregory T. Swienton
	Stephen P. Kaufman		David B. Rickard	
	Leslie F. Kenne			
	David B. Rickard			
	Dr. James C. Stoffel			
	Gregory T. Swienton			
	Hansel E. Tookes			
	II			

OTHER CORPORATE GOVERNANCE INFORMATION**Director Retirement**

It is our policy that a director will retire from the Board effective at the end of the month in which he or she reaches age 72. In the event that a director's 72nd birthday falls within twelve months of the Annual Meeting at which such director would stand for re-election, such director shall not stand for re-election. In accordance with this retirement policy, Joseph L. Dionne resigned as a member of the Board, effective June 30, 2005. Mr. Dionne served as one of our directors since 1989. We would like to thank Mr. Dionne for his years of dedicated service on our Board and for his unwavering commitment and counsel to Harris. A director is also expected to automatically tender his or her resignation in the event of retirement or other significant change in status from the employment position held when last elected or appointed to the Board, and the Board will then determine whether such director's continued Board membership is in the best interest of Harris and our shareholders, free from conflict of interests and is otherwise appropriate.

Communications with Members of the Board of Directors

General. Shareholders and other interested persons wishing to communicate directly with the Board may do so by sending an e-mail message to the Board member then presiding over the meetings of our non-management directors referred to as our Presiding Independent Director at presiding.director@harris.com. Communications sent by e-mail

will go simultaneously to the Presiding Independent Director and also to our Corporate Secretary. Shareholders and others may also write to the Presiding Independent Director, c/o Corporate Secretary, Harris Corporation, 1025 West NASA Boulevard, Melbourne, Florida 32919. Our Corporate Secretary will review any such written communications and if they are related to the duties and responsibilities of the Board and its

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committees, they will be forwarded to the Presiding Independent Director. Our Corporate Secretary will periodically provide the Board a summary of all written communications received that were not forwarded because they were unduly hostile, threatening, illegal or similarly inappropriate and will make them available to the Board upon request. The Presiding Independent Director will determine whether communications should be sent to the full Board or a committee.

Accounting, Internal Control or Auditing Matters. Our Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding questionable accounting, internal control or auditing matters. Any of our employees may communicate concerns about any of these matters to such employee's supervisor, manager or business standards advisor, or to the Director of Internal Audit or the Director of Business Conduct or others, or on a confidential and anonymous basis by way of our toll-free hotline number listed on our website or in our Standards of Business Conduct. Other persons with concerns or complaints may contact our Director of Internal Audit or Director of Business Conduct at 1025 West NASA Boulevard, Melbourne, Florida, 32919. Upon receipt of a complaint or concern, a determination will be made whether it pertains to accounting, internal control or auditing matters and if it does, it will be handled in accordance with the procedures established by the Audit Committee.

Attendance at Annual Meetings of Shareholders. We typically schedule a Board meeting in conjunction with our Annual Meeting of Shareholders. In the absence of unavoidable conflict, all Board members are expected to attend the Annual Meeting of Shareholders. All members of the Board of Directors, then in office, attended the 2004 Annual Meeting of Shareholders.

Standards of Business Conduct

All Harris directors and employees, including the Chief Executive Officer, Chief Financial Officer, principal accounting officer and other senior financial officers, are required to abide by Harris' Standards of Business Conduct, originally adopted in 1987, to help ensure that our business is conducted in a consistently ethical and legal manner. Our Directors' Standards of Business Conduct and our Standards of Business Conduct, applicable to all employees, form the foundation of a comprehensive business conduct program that includes compliance with all laws, corporate policies and procedures, an open relationship among employees that contributes to good business conduct, and an abiding belief that we should conduct all business dealings with integrity, honesty and responsibility. Our business conduct policies cover many topics, including employment issues, confidentiality, environmental, health and safety, insider trading, corporate opportunities, antitrust, export control, boycotts, government contracts, international business practices, entertainment and gifts, and use of company assets. Employees are required to report any conduct they believe in good faith to be a violation of any of our business policies.

Our Standards of Business Conduct and our Directors' Standards of Business Conduct are posted on our website at www.harris.com/business-conduct and are also available free of charge by written request to our Director of Business Conduct, Harris Corporation, 1025 West NASA Boulevard, Melbourne, Florida 32919. Any amendment to, or waiver from, our Standards of Business Conduct will be posted on our website within four business days following such amendment or waiver.

Director Nomination Process

Our Board is responsible for approving nominees to stand for election as directors. The Corporate Governance Committee assists the Board in this process and identifies individuals it believes to be qualified to become Board members and recommends nominees.

It is a long-standing policy of the Board to consider director nominees submitted by shareholders. A shareholder who wishes to recommend a nominee for the Corporate Governance Committee's consideration must include at least the following information about the proposed nominee: the proposed nominee's name, age, business or residence address, principal occupation or employment, and the written consent of the nominee to being named in the proxy statement as a nominee and to serving as a director if elected. The required information should be sent to our Corporate Secretary at 1025 West NASA Boulevard, Melbourne, Florida 32919. The Corporate Secretary will forward properly submitted shareholder-proposed nominations to the Chairperson of the Corporate Governance Committee for consideration at a future Corporate Governance Committee meeting. Individuals proposed by shareholders in

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accordance with these procedures will be evaluated and considered by the Corporate Governance Committee in the same manner as it evaluates other proposed nominees.

In addition to proposing nominees for consideration to the Corporate Governance Committee, shareholders may also directly propose nominees for consideration at an Annual Meeting or special meeting of shareholders. The requirements and procedures to be followed by shareholders for directly nominating directors are discussed below under Shareholder Proposals for the 2006 Annual Meeting. The Corporate Governance Committee also has a process for considering, reviewing and evaluating incumbent directors up for re-election. Pursuant to this process, within six months of the annual meeting of shareholders at which an individual director's term will expire, such director meets with the Chairman and also with the Chairperson of the Corporate Governance Committee to discuss participation on the Board and its committees and other relevant matters. In addition, the Corporate Governance Committee reviews such director's attendance records, any changes in employment status and other information it deems helpful in considering and evaluating the director for a nomination.

Our Corporate Governance Principles contain Board membership criteria that apply to nominees for a position on our Board. The Board, based upon the recommendation of the Corporate Governance Committee (which recommendation will be based on the criteria set forth below, regardless of whether the nominee is identified by the Corporate Governance Committee, by shareholders or otherwise), will select new nominees considering the following criteria:

Demonstrated ability and sound judgment that usually will be based on broad experience;

Personal qualities and characteristics, accomplishments and reputation in the business community, professional integrity, educational background, business experience and related experience;

Willingness to objectively appraise management performance;

Giving due consideration to potential conflicts of interest, current knowledge and contacts in the communities in which we do business and in our industry or other industries relevant to our businesses;

Ability and willingness to commit adequate time to Board and committee matters, including attendance at Board, committee and annual shareholder meetings;

Fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of Harris and the interests of our shareholders; and

Diversity of viewpoints, background and experience.

In fiscal 2005, our Corporate Governance Committee retained a third-party search firm to assist in identifying and evaluating potential nominees. Once the Board determined to add directors, the Corporate Governance Committee considered the specific qualifications and skills a candidate should possess. Guided by these considerations, the search firm conducted research to identify viable candidates. It prepared and provided a list for the Corporate Governance Committee that included a brief biography of each potential candidate. The search firm then conducted further research on the candidates in whom the Corporate Governance Committee had the most interest and facilitated interviews with the Chairperson and other members of the Corporate Governance Committee, our Chief Executive Officer and other members of our management. The results were then reported to the full Corporate Governance Committee by the Chairperson.

Hansel E. Tookes II and Terry D. Growcock were appointed to our Board in April 2005 and August 2005, respectively. The search firm initially identified Messrs. Tookes and Growcock to the Chairperson of the Corporate Governance Committee as potential director candidates, and the Chairperson forwarded their names to the full Corporate Governance Committee for its consideration.

DIRECTOR COMPENSATION AND BENEFITS

The form and amount of director compensation is determined from time to time by the Corporate Governance Committee and then recommended to the Board for action. Director compensation may take the form of cash, equity and other benefits ordinarily available to directors.

In December 2004, on the recommendation of the Corporate Governance Committee, the

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Board approved several changes to the compensation payable to directors as part of its ongoing, periodic review of director compensation and benefits programs. Effective January 1, 2005, directors who are not employees of Harris receive the following fees, as applicable, for their services on the Harris Board:

\$55,000 basic annual cash retainer, payable on a quarterly basis, increased from \$30,000;

\$10,000 annual cash retainer, payable on a quarterly basis, for service as Chairperson of the Audit Committee (no change);

\$5,000 annual cash retainer, payable on a quarterly basis, for service as the Chairperson of each standing committee of the Board other than the Audit Committee (no change);

\$2,000 attendance fee for each meeting or telephonic meeting of the Board, increased from \$1,200; and

\$2,000 attendance fee for each meeting or telephonic meeting of each standing committee of the Board and for attendance at any other event for or on behalf of Harris, increased from \$1,500.

We reimburse each non-employee director for travel and out-of-pocket expenses incurred in connection with attendance at Board and committee meetings and other meetings on behalf of Harris and for the costs and expenses of attending director education programs. In addition, we provide each non-employee director with accident, death and disability insurance in the amount of up to \$200,000 and business travel insurance of up to an additional \$200,000 in the event that he or she is involved in an accident while traveling on business relating to our affairs.

Non-employee directors may participate in our gift matching program available to all employees, where we match contributions to eligible educational institutions and charitable organizations up to an annual maximum of \$10,000 per director.

Employee directors are not compensated for service as a director.

Stock Options

In December 2004, upon the recommendation of the Corporate Governance Committee, the Board adopted an amendment to the Harris Corporation 2000 Stock Incentive Plan (the 2000 Stock Incentive Plan) to eliminate the automatic grant of options to purchase shares of Harris common stock upon a non-employee director's initial election or appointment to the Board and to eliminate the automatic annual grant of options to non-employee directors on the date of each of our annual meetings of shareholders. The options previously granted to non-employee directors under the 2000 Stock Incentive Plan and its predecessor plan, the Harris Corporation Stock Incentive Plan (the 1990 Stock Incentive Plan), are non-qualified options for tax purposes, were priced at fair market value on the date of grant and become exercisable as follows:

50% of the option becomes exercisable on the first anniversary of the date of grant; and

25% of the option becomes exercisable on each of the next two succeeding anniversary dates.

Notwithstanding the above, in the event of a change in control of Harris, any non-employee director's options outstanding for more than one year at that time immediately become exercisable in full. In the case of options granted to directors under the 2000 Stock Incentive Plan, such options continue to vest and may be exercised following retirement. In addition, such options fully vest upon a non-employee director's death and are exercisable by his or her representative only within the twelve-month period following the date of death. In any event, all options granted to non-employee directors expire no more than ten years after the date of grant.

Deferred Compensation

Under the 1997 Directors' Deferred Compensation and Annual Stock Unit Award Plan (the 1997 Directors' Plan), on January 1 of each year each non-employee director was credited with Harris stock equivalent units. In addition, under the 1997 Directors' Plan, each non-employee director could make an irrevocable election prior to the start of a calendar year to defer all or a portion of his or her fees for the subsequent year or years. Once deferred, amounts are invested in investment alternatives similar to those available under our 401(k) Plan or in stock units, pursuant to which

a non-employee director's account is credited with a number of units of Harris stock equivalents. Once amounts are credited in Harris stock equivalents, they cannot

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be reallocated into any other investment alternatives and are payable only following the non-employee director's resignation, retirement or death. Each such stock unit is credited with dividend equivalents, which are deemed reinvested in additional Harris stock units on the dividend payment date. A non-employee director may elect to receive amounts deferred under the 1997 Directors' Plan, including amounts deferred in the form of Harris stock units, either in a lump sum cash payment on a date within five years of his or her resignation or retirement or in annual cash payments over a designated number of years, provided that all amounts are fully paid within ten years of resignation or retirement. Within 90 days following a change of control, each non-employee director (or former non-employee director) will receive a lump sum cash payment equal to the then remaining balance in his or her account under the 1997 Directors' Plan.

In December 2004, upon the recommendation of the Corporate Governance Committee, the Board adopted an amendment to the 1997 Directors' Plan to provide, effective December 31, 2004, that no further deferrals of director compensation shall be permitted and no further annual awards of Harris stock equivalent units shall be granted under the 1997 Directors' Plan. At the same time, the Board adopted the Harris Corporation 2005 Directors' Deferred Compensation Plan (the 2005 Directors' Plan). Under the terms of the 2005 Directors' Plan, on January 1, April 1, July 1, and October 1 of each year, commencing April 1, 2005, Harris shall credit each non-employee director's account with a number of Harris stock equivalent units having a fair market value equal to \$24,000 (for an initial annual rate of \$96,000), which amount may be changed from time to time by the Board. In addition, under the 2005 Directors' Plan, prior to the commencement of a calendar year, each non-employee director may make an irrevocable election to defer all or a portion of his or her cash compensation for the subsequent year or years. Amounts deferred at the election of a non-employee director may be invested in investment alternatives similar to those available under the 401(k) Plan or in Harris stock equivalent units based upon the fair market value of Harris common stock on the date of deferral. A non-employee director may not transfer or reallocate amounts deferred into other investments into Harris stock equivalent units. In addition, once amounts are credited in Harris stock equivalent units, they may not be reallocated into any other investment alternatives and are payable in cash following the non-employee director's resignation, retirement or death. Each Harris stock equivalent unit is credited with dividend equivalents, which are deemed reinvested in additional Harris stock equivalent units.

A non-employee director may elect to receive amounts deferred under the 2005 Directors' Plan, including amounts mandatorily deferred in the form of Harris stock equivalent units, either in a cash lump sum on a date certain within five years after his or her resignation or retirement or in annual substantially equal cash installments over a designated number of years beginning on a date certain within five years after a director's resignation or retirement, provided that all amounts are fully paid within ten years after resignation or retirement.

Within 90 days of a change of control (as defined in the 2005 Directors' Plan), and to the extent permitted by the regulations adopted under the American Jobs Creation Act of 2004, each non-employee director (or former non-employee director) will receive a lump sum cash payment equal to the then-remaining balance in his or her account.

Stock Ownership Guidelines for Non-Management Directors

To further align the interests of members of the Board and shareholders, the Board has previously approved stock ownership guidelines for our non-management directors. Such directors are expected to own, within five years after election or appointment to the Board, Harris stock or stock equivalents having a minimum value of four times such directors' annual retainer.

Indemnification

We have entered into indemnification agreements with each of our directors and executive officers, including those executive officers named in the summary compensation table on page 26. These agreements require us to indemnify these directors and officers with respect to their activities as a director, officer or employee of Harris, or when serving at our request as a

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director, officer or trustee of another corporation, trust or other enterprise, against expenses (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably 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, parties as a result of their service to us. 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 Restated Certificate of Incorporation and By-Laws 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 of the indemnification agreement;

The benefits allowable under the law of the jurisdiction under which we exist at the time expenses are incurred by the director or officer;

The benefits available under liability insurance obtained by us; and

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

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

Table of Contents**OUR LARGEST SHAREHOLDERS**

The rules of the SEC require disclosure regarding any persons known to us to be a beneficial owner of more than five percent of our common stock. The following table sets forth as of July 22, 2005 the beneficial ownership of our common stock by each person who has reported to the SEC beneficially owning more than five percent of our common stock, based on the reports filed by these persons, as adjusted to give effect to the Stock Split.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Barclays Global Investors, NA 45 Fremont Street, 17th Floor San Francisco, California 94105	12,015,526 ⁽¹⁾	8.99%
FMR Corp. 82 Devonshire Street Boston, Massachusetts 02109	11,297,962 ⁽²⁾	8.45%
T. Rowe Price Associates Inc. 100 East Pratt Street Baltimore, Maryland 21202	7,063,400 ⁽³⁾	5.20%

- (1) This information is based on a Schedule 13G with respect to our common stock filed by Barclays Global Investors, NA (Barclays) with the SEC on February 14, 2005, in which Barclays states that as of December 31, 2004, Barclays beneficially owned 12,015,526 shares, as to which it possessed sole voting power over 8,262,810 shares and sole dispositive power over 9,396,288 shares. Further, Barclays Schedule 13G indicates that certain of its subsidiaries and affiliates are considered beneficial owners of such shares as follows: Barclays Global Fund Advisors beneficially owned 1,036,394 shares, as to which it possessed sole voting power over 946,002 shares and sole dispositive power over 1,036,394 shares; Barclays Global Investors, Ltd. beneficially owned 1,545,044 shares, as to which it possessed sole voting power over 1,532,244 shares and sole dispositive power over 1,545,044 shares; Barclays Life Assurance Company Limited beneficially owned and possessed sole voting and dispositive power over 20,200 shares; Barclays Capital Securities Limited beneficially owned and possessed sole voting and dispositive power over 7,800 shares; and Palomino Limited beneficially owned and possessed sole voting and dispositive power over 9,800 shares.
- (2) This information is based on Amendment No. 3 to Schedule 13G with respect to our common stock filed by FMR Corp. with the SEC on February 14, 2005, in which FMR Corp. states that as of December 31, 2004, Edward C. Johnson 3d and FMR Corp. had sole dispositive power over 11,297,360 shares. Edward C. Johnson 3d and FMR Corp. each had sole voting and dispositive power over 103,360 shares. Further, FMR Corp. s Amendment No. 3 to Schedule 13G indicates that certain subsidiaries and affiliates of FMR Corp. are considered beneficial owners of certain shares beneficially owned by FMR Corp., as follows: Fidelity Management & Research Company, a wholly-owned subsidiary of FMR Corp., beneficially owned 11,194,000 shares as a result of its acting as investment advisor to various investment companies; Fidelity Management Trust Company, a wholly-owned subsidiary of FMR Corp., beneficially owned 103,360 shares as a result of its serving as investment manager of institutional accounts; and Strategic Advisors, Inc., a wholly-owned subsidiary of FMR Corp., which provides investment advisory services to individuals, beneficially owned 602 shares.

- (3) This information is based on Amendment No. 1 to Schedule 13G with respect to our common stock filed by T. Rowe Price Associates Inc. with the SEC on February 14, 2005, in which T. Rowe Price Associates, Inc. states that as of December 31, 2004, it was the beneficial owner of 7,063,400 shares as a result of its serving as investment manager of institutional accounts, as to which it possessed sole voting power over 1,105,800 shares and sole dispositive power over 7,063,400 shares. T. Rowe Price Associates, Inc. by separate instruction requested that it be disclosed that T. Rowe Price Associates, Inc. (Price Associates) serves as investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

Table of Contents**SHARES HELD BY OUR DIRECTORS AND EXECUTIVE OFFICERS**

The following table sets forth the beneficial ownership of shares and equivalent units of our common stock, as of July 22, 2005, by (a) each director, including the nominees for election at the 2005 Annual Meeting, (b) our Chief Executive Officer and each other executive officer named in the summary compensation table on page 26, and (c) all our directors and executive officers as a group. Except as otherwise noted, the named individual had sole voting and investment power with respect to the securities. As of July 22, 2005, no individual director, nominee for director, or Named Executive Officer (as defined below under Summary Compensation Table) beneficially owned 1% or more of our common stock. As of July 22, 2005, our directors and executive officers, as a group, beneficially owned 1.92% of our common stock.

Shares Beneficially Owned

Name	Shares Owned(1)	Shares Under Exercisable Options(2)	Total Shares Beneficially Owned(3)	Deferred Stock Units(4)
DIRECTORS:				
Thomas A. Dattilo	0	13,000	13,000	18,002
Terry D. Growcock*				
Lewis Hay III	0	9,000	9,000	15,764
Karen Katen	10,000	35,040	45,040	41,223
Stephen P. Kaufman	4,000	13,000	17,000	10,760
Leslie F. Kenne	0	2,000	2,000	1,495
Howard L. Lance(5)**	277,403	372,588	649,991	2,909
David B. Rickard	0	9,000	9,000	12,295
James C. Stoffel	0	5,000	5,000	3,520
Gregory T. Swienton	0	13,000	13,000	29,083
Hansel E. Tookes II	1,000	0	1,000	590
NAMED EXECUTIVE OFFICERS:				
Nick E. Heldreth(5)	66,674	185,402	252,076	4,324
Robert K. Henry(5)	139,043	232,766	371,809	4,348
Chester A. Massari(5)	85,721	71,148	156,869	3,397
Bryan R. Roub(5)(6)	237,662	303,460	541,122	9,781
All Directors and Executive Officers as a group (19 persons)(7)	1,021,933	1,525,968	2,547,901	160,565

* Terry D. Growcock was appointed to our Board of Directors on August 27, 2005.

** Also a Named Executive Officer.

(1) Includes shares over which the person or members of his or her immediate family hold or share voting and/or investment power and excludes shares listed under the columns Shares Under Exercisable Options and Deferred Stock Units.

(2)

Includes shares underlying options granted under our 1990 Stock Incentive Plan and 2000 Stock Incentive Plan which are exercisable as of July 22, 2005, and shares underlying options which become exercisable within 60 days thereafter.

- (3) Represents the total of shares listed under the columns Shares Owned and Shares Under Exercisable Options.
- (4) For the non-employee directors, this column includes stock equivalent units credited under our 1997 Directors Plan and our 2005 Directors Plan discussed above under Director Compensation and Benefits. For the Named Executive Officers, this column includes amounts deferred in the form of stock equivalent units under our Supplemental Executive Retirement Plan, which are settled in cash following, or under certain circumstances prior to, retirement. These stock equivalent units may not be voted or transferred.
- (5) The shares reported as beneficially owned include performance or restricted shares awarded under our 2000 Stock Incentive Plan for which the performance or vesting period had not expired and as to which the named individuals have sole voting power but no investment power, as follows: Mr. Lance 70,000 performance shares and 66,666 restricted shares; Mr. Heldreth 20,000 performance shares; Mr. Henry 43,000 performance shares and 50,000 restricted shares; Mr. Massari 28,000 performance shares; and Mr. Roub 37,000 performance shares.
- (6) The shares reported as beneficially owned do not include 800 shares owned by family members of Mr. Roub. Mr. Roub disclaims beneficial ownership of such shares.
- (7) The shares reported as beneficially owned by all directors and executive officers, as a group, include 442,666 performance shares and restricted shares awarded to the executive officers under our 2000 Stock Incentive Plan as to which the executive officers have sole voting power but no investment power. The shares reported do not include 800 shares owned by family members, for which the directors and executive officers disclaim beneficial ownership.

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REPORT OF THE AUDIT COMMITTEE

The following Report of the Audit Committee does not constitute soliciting material and the Report should not be deemed filed or incorporated by reference into any other previous or future filings by Harris under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Harris specifically incorporates this Report by reference therein.

The role of the Audit Committee is, among other things, to assist the Board of Directors in its oversight of:

The integrity of the financial statements of Harris;

Harris' compliance with applicable legal and regulatory requirements;

The independence and qualifications of Harris' independent auditors; and

The performance of Harris' independent auditors and internal audit function.

The Board of Directors, in its business judgment, has determined that all members of the Audit Committee are independent, within the meaning of the listing standards of the NYSE, the Sarbanes-Oxley Act of 2002 and related rules of the SEC and our Director Independence Standards.

Management of Harris is responsible for the preparation, presentation and integrity of Harris' financial statements and the effectiveness of Harris' system of internal control over financial reporting and disclosure controls and procedures. Management and the internal auditing department are responsible for maintaining and evaluating appropriate accounting and financial reporting principles and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditors, Ernst & Young LLP, are responsible for auditing the consolidated financial statements and expressing an opinion as to whether such financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States. The independent auditors are also responsible for auditing management's assessment and the effectiveness of Harris' internal control over financial reporting. The Audit Committee has met and held discussions with management, the Director of Internal Audit and the independent auditors. The Audit Committee discussed with the internal and independent auditors the overall scope of and plans for their respective audits. The Audit Committee also met with the independent auditors, the Director of Internal Audit and the Chief Financial Officer, with and without management present, to discuss the results of their examinations, the reasonableness of significant judgments, the evaluations of Harris' internal control over financial reporting and the overall quality of Harris' financial reporting. Management has represented to the Audit Committee that Harris' consolidated financial statements were prepared in accordance with generally accepted accounting principles.

In the performance of its oversight function, the Audit Committee has:

Reviewed and discussed with management and the independent auditors Harris' internal control over financial reporting, including a review of management's and the independent auditors' assessments of reports on the effectiveness of Harris' internal control over financial reporting and any significant deficiencies or material weaknesses;

Considered, reviewed and discussed the audited financial statements with management and the independent auditors, including a discussion of the quality of the accounting principles, the reasonableness thereof, significant adjustments, if any, and the clarity of disclosures in the financial statements, as well as critical accounting policies;

Discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended by Statement on Auditing Standards No. 90, *Communication with Audit Committees*, and No. 71, *Interim Financial Information*, as currently in effect;

Received the written disclosures and the letter from Ernst & Young LLP required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, as currently in effect, and discussed the independence of Ernst & Young LLP with them;

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Reviewed the services provided by the independent auditors other than their audit services and considered whether the provision of such other services by the independent auditors is compatible with maintaining their independence, discussed with the auditors the auditors' independence, and concluded that the independent auditors are independent from Harris and its management; and

Reviewed the contents of SEC-required certification statements from the Chief Executive Officer and Chief Financial Officer and also discussed and reviewed the process and internal controls for providing reasonable assurances that the financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended July 1, 2005 are true in all important respects, and that the report contains all appropriate material information of which they are aware.

In reliance upon the reports, reviews and discussions described in this report, the Audit Committee has recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in Harris' Annual Report on Form 10-K for the fiscal year ended July 1, 2005, for filing with the SEC. The Audit Committee also has appointed, and has requested shareholder ratification of the appointment of, Ernst & Young LLP as Harris' independent auditors for the fiscal year ending June 30, 2006.

Submitted on August 26, 2005 by the Audit Committee of the Board of Directors

David B. Rickard, Chairperson
Thomas A. Dattilo
Lewis Hay III
Gregory T. Swienton

**EXECUTIVE COMPENSATION AND RELATED INFORMATION
REPORT OF THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE ON
EXECUTIVE COMPENSATION**

The following Report of the Management Development and Compensation Committee does not constitute soliciting material and the Report should not be deemed filed or incorporated by reference into any other previous or future filings by Harris under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Harris specifically incorporates this Report by reference therein.

The Management Development and Compensation Committee, which consists solely of independent, non-employee directors, annually approves our compensation philosophy and the compensation, perquisites and other benefits for our executive officers under salary, incentive and other plans authorized by our Board of Directors and/or shareholders. In addition, the Management Development and Compensation Committee annually approves, together with all independent directors, the compensation for our Chief Executive Officer.

Compensation Philosophy

Our executive compensation philosophy is designed to meet Harris' needs, as well as the needs of our executives and shareholders. The executive compensation program is intended to:

Closely link compensation to an individual's performance and our financial results;

Align the interests of our executives and shareholders by emphasizing both the short-term and long-term performance objectives and strategic focus of our businesses;

Facilitate management stock ownership; and

Enable us to attract and retain a world-class management team.

This philosophy applies to all of our management employees, including the executive officers named in the summary compensation table on page 26.

Our executive compensation program has two major components:

An annual cash component, consisting of a base salary and an incentive bonus based

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on the financial performance for the fiscal year of Harris and/or the applicable business unit; and

A long-term equity incentive component, consisting of (1) stock options, (2) performance shares with payouts based upon meeting performance targets over a three-year period, and (3) restricted shares which vest over a period of three to five years.

We utilize a structured approach for evaluating executive performance and determining executive annual cash compensation by reference to external industry surveys of compensation of executives in similar positions, individual performance and experience in the position, and scope of responsibility. Payouts for annual cash incentive awards are based upon the degree to which an executive achieves the applicable operating results established at the start of our fiscal year. Similarly, long-term compensation in the form of a performance share payout is based upon the degree to which an executive attains operating results outlined in the strategic growth plan. For the three-year performance period ended July 1, 2005, we used cumulative earnings per share for Harris and annual assessments of operating income and return on capital for our divisions as the criteria for payouts of performance shares.

Our executive compensation program is designed to ensure that executive pay remains competitive with pay for comparable jobs, responsibilities and performance in leading industrial and technology companies. For this reason, we periodically retain outside independent compensation and benefit consultants to review our executive compensation programs.

Annual Cash Compensation

Annual cash compensation consists of a fixed base salary and an opportunity for a variable cash performance incentive. Base salaries and planned cash incentive compensation targets for senior executives, other than the Chief Executive Officer, are recommended annually by the Chief Executive Officer and then reviewed and approved by the Management Development and Compensation Committee.

The Annual Incentive Plan, which was approved by shareholders at the 1995 Annual Meeting and reapproved by shareholders at the 2000 Annual Meeting, provides for payment to executives of a specified cash amount (not to exceed 200% of the target amount) based upon the percentage achievement of specific financial objectives, including such measures as earnings per share, operating income and revenue growth. The financial objectives and criteria are established at the start of our fiscal year. For fiscal 2005, annual incentive payments for senior executives were based upon earnings per share, operating income and/or revenue targets.

The percentage of an executive's annual cash compensation attributable to the incentive bonus generally increases with his or her level of management responsibility. For the Named Executive Officers target cash incentive compensation ranged from 38% to 50% of total annual cash compensation for fiscal 2005.

As discussed elsewhere in this proxy statement, the Board of Directors, acting on the recommendation of the Management Development and Compensation Committee, unanimously approved the Harris Corporation 2005 Annual Incentive Plan, subject to shareholder approval. The 2005 Annual Incentive Plan, a copy of which is attached as *Appendix D* to this proxy statement and described under Proposal 3: Approval of the Harris Corporation 2005 Annual Incentive Plan, will replace the existing Annual Incentive Plan.

Long-Term Compensation

The stock incentive plans are intended to align executive and shareholder interests. The plans permit the granting of any or all of the following types of awards:

Performance shares, or units, conditioned upon meeting specified performance criteria;

Restricted stock or units;

Stock options;

Stock appreciation rights, independent of or in tandem with stock options; and

Other awards valued in whole or in part by reference to, or otherwise based on, our common stock.

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The Management Development and Compensation Committee believes that, through the use of stock incentives, the interests of our executives are directly aligned with the objective of enhancing shareholder value.

With respect to performance share awards, at the beginning of an award cycle the Management Development and Compensation Committee determines the applicable performance criteria. The performance share award and option grants for senior executives, other than the Chief Executive Officer, are recommended by the Chief Executive Officer and then reviewed and approved by the Management Development and Compensation Committee. The Management Development and Compensation Committee grants each participant a specified number of performance shares at the start of the relevant period and establishes a means for computing the number of performance shares that can be earned during the period. Payouts for the three-year period ended July 1, 2005 ranged from 30% to 150% of the performance share award granted at the start of the period. Performance shares are subject to forfeiture if the performance goals are not attained or if a participant's employment is terminated for certain reasons before the performance period has ended.

Stock options are granted at fair market value as of the date of grant, typically vest over three years, and have a term of not greater than ten years. Stock options granted during fiscal 2005 generally have a term of seven years. Stock options provide realizable value only when the price of our common stock is greater than the option exercise price. In addition to stock options and performance shares, awards of restricted shares are made on a selective basis to individual executives as part of hiring packages or for retention. These restricted shares vest over or at the end of a restricted period.

As discussed elsewhere in this proxy statement, the Board of Directors, acting on the recommendation of the Management Development and Compensation Committee, unanimously approved the Harris Corporation 2005 Equity Incentive Plan, subject to shareholder approval. The 2005 Equity Incentive Plan, a copy of which is attached as *Appendix C* to this proxy statement and described under Proposal 2: Approval of the Harris Corporation 2005 Equity Incentive Plan, will provide a basis for future option, performance share, restricted share and other equity-based awards. If the 2005 Equity Incentive Plan is approved by shareholders, no further grants will be made under the 2000 Stock Incentive Plan.

Stock Ownership Guidelines for Executives

To further promote ownership of shares by management and to more closely align management and shareholder interests, the Management Development and Compensation Committee previously approved stock ownership guidelines for our executive officers. Executives are expected to own Harris stock having a minimum value, denominated as a multiple of their annual base salaries, as follows: four times for the Chief Executive Officer; two times for other executive officers; and equal to one year's annual base salary for other designated officers. Unexercised options and unearned performance shares or restricted shares do not count for purposes of measuring compliance with the ownership guidelines. The recommended time period for reaching the guidelines is three years. Executives within three years of normal retirement are no longer subject to the guidelines.

Section 162(m) Deductibility

Stock option grants and performance share awards made to executive officers under stock incentive plans and payments under the Annual Incentive Plan are intended to comply with the requirements of Internal Revenue Code Section 162(m) relating to the tax deductibility of certain compensation exceeding \$1 million for certain executive officers named in the summary compensation table on page 26. In any year, however, the Board or the Management Development and Compensation Committee may determine, in light of all applicable circumstances, that it would be in our best interests for compensation to be paid under those plans or otherwise in a manner that may not qualify as performance-based under Section 162(m).

Retirement Plans

We maintain the 401(k) Plan, which is a tax-qualified defined contribution retirement plan available to most of our domestic employees. Subject to applicable Internal Revenue Code limits, employees may contribute from 1% to 12%

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of eligible compensation and we will make a matching contribution of up to 6% of eligible compensation. The 401(k) Plan also includes a profit sharing component. To the extent contributions to our 401(k) Plan are limited, certain of our executives are also eligible to contribute to our non-qualified, supplemental executive retirement plan. This supplemental plan has been established for certain employees whose contributions to the 401(k) Plan are otherwise limited by the Internal Revenue Code. In addition to employee contributions, matching and profit sharing components, we may also grant special awards to participants under our supplemental executive retirement plan.

Other Benefits

Harris' overall compensation program for elected corporate officers also includes other types of perquisites. Types of benefits available to elected corporate officers include reimbursement of the costs of tax preparation and financial planning services of up to \$5,000 (or \$10,000, in the case of Mr. Lance) per year, reimbursement of the costs of estate planning services of up to \$5,000 (or \$10,000, in the case of Mr. Lance) every three years and reimbursement of the costs of membership in an approved social or country club. In addition, employees, including executives, are eligible for other benefits. These benefits include group life and medical insurance as well as disability benefits.

Chief Executive Officer Compensation

Mr. Lance's base salary, incentive compensation, performance share awards, stock option grants, restricted shares and other benefits are annually reviewed and approved by the Management Development and Compensation Committee together with all independent directors. Following approval by the Board of Directors on December 3, 2004, Harris and Mr. Lance entered into a letter agreement providing for Mr. Lance's continued employment. The terms of the letter agreement are discussed below under Employment and Change in Control Severance Agreements.

In August 2004, the Management Development and Compensation Committee and independent directors established Mr. Lance's annual base salary at \$850,000, an increase from \$775,000, and an annual cash bonus with a target level for such bonus equal to 100% of his annual base salary. The increase was effective on September 1, 2004. In recommending Mr. Lance's total annual compensation for fiscal 2005, the Management Development and Compensation Committee considered Mr. Lance's individual performance by the same measures previously described for determining executive officer compensation. Under our Annual Incentive Plan, Mr. Lance received annual cash incentive compensation for fiscal 2005 equal to 153.2% of his target bonus based upon earnings-per-share performance. In August 2004, the Management Development and Compensation Committee and independent directors granted Mr. Lance options to purchase 300,000 shares of common stock and 40,000 performance shares for the three-year period ending June 29, 2007.

**Submitted on August 26, 2005 by the Management Development
and Compensation Committee of the
Board of Directors**

Stephen P. Kaufman, Chairperson
Karen Katen
Dr. James C. Stoffel
Gregory T. Swienton

Table of Contents**SUMMARY COMPENSATION TABLE**

The table below shows the annual and long-term compensation for the fiscal years ended July 1, 2005, July 2, 2004 and June 27, 2003, awarded, earned or paid for services in all capacities of those executives who, at the end of fiscal 2005, were (1) our Chief Executive Officer, and (2) our other four most highly-compensated executive officers (together, the Named Executive Officers). All information regarding securities underlying options, per-share information, and related information has been restated, as appropriate, to give effect to the Stock Split.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Annual Compensation		Long-Term Compensation					
		Salary (\$)	Bonus (\$)	Other Annual Compensation (1) (\$)	Awards		Payouts		All Other Compensation (4) (\$)
					Restricted Stock Awards (2) (\$)	Securities Underlying Options (#)	LTIP Payouts (3) (\$)		
Howard L. Lance Chairman, President & Chief Executive Officer*	2005	\$ 849,039	\$ 1,308,320	\$ 166,889			367,728		\$ 391,943
	2004	\$ 750,481	\$ 1,189,625	\$ 101,208			248,960		\$ 175,726
	2003	\$ 320,673	\$ 422,083(5)	\$ 396,430	\$ 3,132,000		200,000		\$ 2,495
Bryan R. Roub Senior Vice President & Chief Financial Officer	2005	\$ 397,558	\$ 475,984	\$ 8,880			185,926	\$ 380,520	\$ 147,278
	2004	\$ 370,096	\$ 465,444	\$ 7,000			265,130	\$ 248,800	\$ 126,112
	2003	\$ 360,673	\$ 293,934	\$ 4,800			68,000	\$ 122,280	\$ 83,849
Robert K. Henry Senior Vice President & President, Government Communications Systems Division	2005	\$ 396,155	\$ 440,849	\$ 19,740			68,390	\$ 547,949	\$ 146,780
	2004	\$ 365,673	\$ 409,180	\$ 17,400			58,052	\$ 288,608	\$ 120,833
	2003	\$ 316,721	\$ 255,589	\$ 8,800	\$ 749,000		100,000	\$ 136,954	\$ 72,970
Nick E. Heldreth** Vice President Human Resources & Corporate Relations	2005	\$ 313,231	\$ 267,194	\$ 4,800			71,494	\$ 228,312	\$ 102,170
	2004	\$ 275,308	\$ 261,535	\$ 4,000			66,544	\$ 149,280	\$ 85,281
	2003	\$ 268,269	\$ 164,982	\$ 2,880			38,000	\$ 73,368	\$ 59,070
Chester A. Massari	2005	\$ 258,385	\$ 248,886	\$ 6,720			65,632	\$ 456,624	\$ 88,838

President, RF								
Communications	2004	\$ 231,251	\$ 253,406	\$ 5,200		76,680	\$ 197,050	\$ 82,072
Division	2003	\$ 218,269	\$ 275,965	\$ 3,520		26,000	\$ 124,726	\$ 66,018

* Mr. Lance joined Harris on January 20, 2003 and became President and Chief Executive Officer on February 1, 2003 and Chairman on June 30, 2003.

** Mr. Heldreth retired from Harris effective August 19, 2005.

(1) Except for Mr. Lance, none of the Named Executive Officers received perquisites or other personal benefits in excess of the lesser of \$50,000 or 10% of annual salary and bonus for fiscal 2005, 2004 or 2003. The amounts reported under Other Annual Compensation : (i) represent cash dividend equivalent payments on outstanding performance shares granted under our 2000 Stock Incentive Plan for which the performance period had not expired, and (ii) for Mr. Henry, also include cash dividend equivalent payments on outstanding restricted shares granted under our 2000 Stock Incentive Plan for which the vesting period had not expired. The amounts reported for Mr. Lance for fiscal 2005 include: (a) \$101,089 for the personal use of the Company aircraft, (b) cash dividend equivalent payments of \$40,800 on outstanding performance shares for which the performance period had not expired and on outstanding restricted shares for which the vesting period had not expired, and (c) \$25,000 of other personal fringe benefits. The amounts reported for Mr. Lance for fiscal 2004 include: (a) \$49,456 for the personal use of the Company aircraft, (b) cash dividend equivalent payments of \$39,333 on outstanding performance shares for which the performance period had not expired and on outstanding restricted shares for which the vesting period had not expired, and (c) \$12,419 of other personal fringe benefits. The amounts reported for Mr. Lance for fiscal 2003 include: (a) relocation and home sale related expenses of \$217,738, (b) \$67,954 for the personal use of the Company aircraft, (c) payment of fees for legal services of \$46,000, (d) tax reimbursement payments of \$39,598, (e) cash dividend equivalent payments of \$16,000 on outstanding restricted shares for which the vesting period had not expired, and (f) \$9,140 of other personal fringe benefits.

The incremental cost to the Company of personal use of Company aircraft is calculated based on the average variable operating costs to the Company. Variable operating costs include fuel, maintenance, weather-monitoring, on-board catering, landing/ramp fees and other miscellaneous variable costs. The total annual variable costs are divided by the annual number of miles the Company aircraft flew to derive an average variable cost per mile. This average variable cost per mile is then multiplied by the miles flown for personal use to derive the incremental cost.

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The methodology excludes fixed costs which do not change based on usage, such as pilots and other employees salaries, purchase costs of the aircraft and non-trip related hangar expenses. The amounts reported reflect a change in valuation methodology from prior years in which the cost of the personal use of Company aircraft had been calculated using the Standard Industrial Fare Level tables found in the tax regulations. The 2004 and 2003 amounts have been recalculated so that amounts are reported on a consistent basis.

- (2) This column shows the dollar value of restricted stock awards based upon the closing price of our common stock on the date of grant. On January 20, 2003, Harris granted Mr. Lance an award of 200,000 restricted shares. The dollar value of restricted stock awards for Mr. Lance is based upon the \$15.66 closing price of our common stock on January 17, 2003. In general, Mr. Lance's award of restricted shares vests in three equal annual installments beginning January 20, 2004, provided that Mr. Lance is employed by Harris on such dates. On February 28, 2003, Harris granted Mr. Henry an award of 50,000 restricted shares. The dollar value of restricted stock awards for Mr. Henry is based upon the \$14.98 closing price of our common stock on February 28, 2003. In general, Mr. Henry's award of restricted shares will vest on February 28, 2008, provided that Mr. Henry is employed by Harris on such date. Dividend equivalents are paid on shares of restricted stock. Upon death, disability or retirement prior to full vesting, the restricted stock award will be pro-rated. Upon a change of control, the restricted stock awards will immediately vest.

As of July 1, 2005, the aggregate number and value of unvested restricted stock awards based upon the \$31.71 closing price of our common stock on July 1, 2005, is as follows: Mr. Lance 66,666 shares with a value of \$2,113,979; and Mr. Henry 50,000 shares with a value of \$1,585,500.

- (3) LTIP payouts consist of the value of performance shares earned for the three-year performance period ended as of the last day of the applicable fiscal year. These values are based on the closing price of our common stock of \$31.71, \$24.88 and \$15.285 on July 1, 2005, July 2, 2004 and June 27, 2003, respectively, and the number of performance shares earned for the three-year performance period ended as of the last day of the applicable fiscal year, as follows:

	Fiscal 2005	Fiscal 2004	Fiscal 2003
	(number of shares)		
Mr. Lance			
Mr. Roub	12,000	10,000	8,000
Mr. Henry	17,280	11,600	8,960
Mr. Heldreth	7,200	6,000	4,800
Mr. Massari	14,400	7,920	8,160

As of July 1, 2005, the aggregate number and value of performance shares awarded under the 2000 Stock Incentive Plan for which the performance period had not expired (excluding the number and value of performance shares with a performance period ended on July 1, 2005) is as follows: Mr. Lance 70,000 shares, with a value of \$2,219,700; Mr. Roub 27,000 shares, with a value of \$856,170; Mr. Henry 31,000 shares, with a value of \$983,010; Mr. Heldreth 14,000 shares, with a value of \$443,940; and Mr. Massari 18,000 shares, with a value of \$570,780. The value of the aggregate unearned performance shares is based upon the \$31.71 closing price of our common stock on July 1, 2005.

- (4) All other compensation consists of:
 (i) Contributions to the Harris Corporation Retirement Plan for:

	Fiscal 2005	Fiscal 2004	Fiscal 2003
Mr. Lance	\$ 27,000	\$ 18,954	\$ 478
Mr. Roub	\$ 29,210	\$ 27,877	\$ 23,648

Mr. Henry	\$ 27,000	\$ 22,174	\$ 17,042
Mr. Heldreth	\$ 27,000	\$ 22,387	\$ 16,788
Mr. Massari	\$ 27,000	\$ 22,192	\$ 17,521

(ii) Contributions to our Supplemental Executive Retirement Plan for:

	Fiscal 2005	Fiscal 2004	Fiscal 2003
Mr. Lance	\$ 361,743	\$ 154,210	\$ 913
Mr. Roub	\$ 118,068	\$ 98,235	\$ 60,201
Mr. Henry	\$ 114,851	\$ 94,236	\$ 52,211
Mr. Heldreth	\$ 70,058	\$ 57,956	\$ 37,441
Mr. Massari	\$ 57,425	\$ 55,653	\$ 44,712

(iii) The taxable portion of premiums on life insurance provided by Harris for:

	Fiscal 2005	Fiscal 2004	Fiscal 2003
Mr. Lance	\$ 3,200	\$ 2,562	\$ 1,104
Mr. Roub			
Mr. Henry	\$ 4,929	\$ 4,423	\$ 3,717
Mr. Heldreth	\$ 5,112	\$ 4,938	\$ 4,841
Mr. Massari	\$ 4,413	\$ 4,227	\$ 3,785

(5) Mr. Lance's bonus for fiscal 2003 includes a \$120,000 one-time cash allowance.

Table of Contents**OPTION GRANTS IN LAST FISCAL YEAR**

The table below gives more information on stock options granted to the Named Executive Officers under our stock incentive plans during the 2005 fiscal year. We did not grant any stock appreciation rights to the Named Executive Officers during fiscal 2005. Amounts shown for potential realizable values are based upon assumed annualized rates of stock price appreciation of 5% and 10% over the full term of the options, as required by the SEC, and are not intended to represent or forecast possible future appreciation, if any, of our common stock price. No gain to the optionee is possible unless the stock price increases over the option term.

Name	Number of Securities Underlying Options Granted (#)	Individual Grants		Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
		% of Total Options Granted to Employees in Fiscal Year(4)	Exercise or Base Price (\$/Share)		5% (\$)	10% (\$)
H.L. Lance	300,000(1)	14.93%	\$ 24.00	8/27/2011	\$ 2,931,123	\$ 6,830,763
	55,518(2)	2.76%	\$ 26.86	8/22/2013	\$ 812,430	\$ 1,996,270
	12,210(2)	0.61%	\$ 26.86	1/20/2013	\$ 164,391	\$ 397,356
	367,728	18.30%			\$ 3,907,944	\$ 9,224,389
B.R. Roub	36,000(1)	1.79%	\$ 24.00	8/27/2011	\$ 351,735	\$ 819,692
	12,866(2)	0.64%	\$ 31.40	8/22/2013	\$ 216,115	\$ 529,067
	27,132(2)	1.35%	\$ 31.40	8/23/2012	\$ 393,814	\$ 937,773
	32,464(2)	1.62%	\$ 31.40	8/24/2011	\$ 400,234	\$ 927,404
	24,812(2)	1.23%	\$ 31.40	8/28/2008	\$ 158,804	\$ 340,279
	21,092(2)	1.05%	\$ 31.40	8/27/2009	\$ 174,630	\$ 383,860
	31,560(2)	1.57%	\$ 31.40	8/25/2010	\$ 323,555	\$ 729,991
	185,926	9.25%			\$ 2,018,887	\$ 4,668,066
R.K. Henry	50,000(1)	2.49%	\$ 24.00	8/27/2011	\$ 488,521	\$ 1,138,461
	5,224(2)	0.25%	\$ 24.98	8/27/2009	\$ 35,653	\$ 78,683
	13,166(2)	0.66%	\$ 24.98	8/25/2010	\$ 110,676	\$ 250,721
	68,390	3.40%			\$ 634,850	\$ 1,467,865
N.E. Heldreth	22,000(1)	1.09%	\$ 24.00	8/27/2011	\$ 214,949	\$ 500,923
	22,180(2)	1.10%	\$ 24.98	8/24/2011	\$ 223,371	\$ 519,738
	23,238(2)	1.16%	\$ 24.98	8/25/2010	\$ 195,344	\$ 442,523
	4,076(2)	0.20%	\$ 24.98	8/27/2009	\$ 27,818	\$ 61,392
	71,494	3.55%			\$ 661,482	\$ 1,524,576

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C. A. Massari	24,000(1)	1.19%	\$ 24.00	8/27/2011	\$ 234,490	\$ 546,461
	3,240(2)	0.16%	\$ 26.86	8/24/2011	\$ 34,948	\$ 81,269
	4,924(2)	0.25%	\$ 26.86	8/22/2013	\$ 72,056	\$ 177,053
	3,214(2)	0.16%	\$ 33.58	8/22/2013	\$ 57,293	\$ 140,043
	4,936(2)	0.25%	\$ 33.58	8/27/2009	\$ 43,146	\$ 94,706
	8,092(2)	0.40%	\$ 33.58	8/24/2011	\$ 105,680	\$ 244,514
	8,788(2)	0.44%	\$ 33.58	8/25/2010	\$ 95,306	\$ 214,714
	1,586(2)	0.08%	\$ 33.58	8/25/2005	\$ 1,950	\$ 3,875
	3,606(2)	0.18%	\$ 33.58	8/23/2006	\$ 10,673	\$ 21,724
	3,246(2)	0.16%	\$ 33.58	8/23/2012	\$ 49,961	\$ 118,790
	65,632	3.27%			\$ 705,503	\$ 1,643,149

Shareholder Gain (3) \$ 1,725,408,590 \$ 4,020,161,920

Named Executive Officers Gain as a % of All Shareholder Gain 0.46% 0.46%

- (1) All stock option grants were made under our 2000 Stock Incentive Plan. Each stock option generally expires after seven years from the date of grant and is exercisable in installments of: 50% after June 30, 2005; 75% after two years from the date of grant; and 100% after three years from the date of grant. These options were granted on August 27, 2004. The exercise price is the closing price of a share of our common stock on the date of grant and may be paid in cash and/or shares of our common stock, or an optionholder may use cashless exercise procedures. In the event of death while employed, options shall immediately become fully vested and shall be exercisable for up to twelve months following the date of death. In the event of retirement after age 62 and ten or more years of service, options shall continue to vest and be exercisable until the regularly scheduled expiration date. In the event of retirement after age 55 and ten or more years of service, options shall cease vesting and options exercisable at the time of such retirement will continue to be exercisable until the regularly scheduled expiration date. In the event of a change in control, outstanding options immediately vest and become exercisable.
- (2) During the first half of fiscal 2005, if shares of common stock were delivered by an employee in payment of the exercise price of options, we granted a Restoration Stock Option (RSO) equal to the number of shares used to exercise such stock option. These listed options are RSOs. The expiration date of RSOs is the same as the expiration date of the underlying options. RSO grants are non-qualified and are exercisable commencing six months after the date of grant at the fair market value on the grant date. Effective December 31, 2004 Harris discontinued the grant of RSOs.
- (3) Shareholder gain reflects the hypothetical increase in market value of our common stock for all shareholders, assuming annual stock price appreciation of 5% and 10%, respectively, over a seven-year period.
- (4) In fiscal 2005, Harris granted stock options covering a total of 2,009,638 shares of common stock to Harris employees and this number was used in calculating the percentages.

Table of Contents**AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR-END OPTION VALUES**

The table below presents information with respect to the number of shares acquired upon exercise of stock options and the aggregate gains realized on exercises during fiscal 2005 for the Named Executive Officers. The table also sets forth the number of shares covered by exercisable and unexercisable options held by those executives on July 1, 2005, and the aggregate gains that would have been realized had these options been exercised on July 1, 2005, even though they were not exercised and the unexercisable options could not have been exercised on that date. None of the Named Executive Officers has stock appreciation rights.

Name	Shares Acquired on Exercise (#)(1)	Value Realized (\$)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End (#)		Value of Unexercised In-the-Money Options/SARs at Fiscal Year-End(2)(\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
H.L. Lance	115,610	\$ 1,320,778	322,588	300,000	\$ 2,736,784	\$ 3,502,500
B.R. Roub	246,276	\$ 3,046,323	273,960	60,000	\$ 1,531,629	\$ 777,700
R.K. Henry	97,574	\$ 1,656,834	207,766	75,000	\$ 2,706,698	\$ 973,813
N.E. Heldreth	85,578	\$ 904,359	168,402	35,500	\$ 1,699,066	\$ 457,743
C.A. Massari	70,664	\$ 940,073	57,148	33,500	\$ 177,847	\$ 420,798

(1) Upon exercise, option holders may surrender shares to pay the option exercise price and satisfy tax-withholding requirements. The number of shares acquired on exercise is provided on gross amounts absent netting for shares surrendered. The number of shares acquired upon exercise after netting out shares surrendered to pay the exercise price and satisfy tax withholding is as follows: Mr. Lance 30,432 shares; Mr. Roub 60,272 shares; Mr. Henry 31,350 shares; Mr. Heldreth 21,132 shares; and Mr. Massari 14,404 shares.

(2) Market value of shares underlying in-the-money options on July 1, 2005, less option exercise price. The market value is based upon the July 1, 2005 closing price of \$31.71 per share of our common stock reported on the New York Stock Exchange Composite Transactions Tape.

LONG-TERM INCENTIVE PLANS AWARDS IN LAST FISCAL YEAR

The table below sets forth information with respect to awards of performance shares granted under our 2000 Stock Incentive Plan during fiscal 2005 to the Named Executive Officers. The performance period for the awards in the table is the three-year period ending June 29, 2007.

**Estimated Future Payouts Under
Performance
or
Other Period**

Non-Stock Price-Based Plans

Name	Number of Shares	Until Maturation or Payout	Threshold Shares (#)	Target Shares (#)	Maximum Shares (#)
H.L. Lance	40,000	6/29/2007	0	40,000	60,000
B.R. Roub	12,000	6/29/2007	0	12,000	18,000
R.K. Henry	16,000	6/29/2007	0	16,000	24,000
N.E. Heldreth	6,000	6/29/2007	0	6,000	9,000
C.A. Massari	8,000	6/29/2007	0	8,000	12,000

Grants of performance shares to participants are made at the beginning of each performance period and are earned based on the performance of a business unit, Harris or some combination thereof. The payout is determined by the Management Development and Compensation Committee and, in the case of the Chief Executive Officer, the other independent directors, and is based upon financial performance compared with strategic plan objectives. Performance criteria include one or a combination of our cumulative earnings per share, operating income and return

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on capital during the strategic plan cycle. Share payouts are made following the determination of the Management Development and Compensation Committee and, in the case of the Chief Executive Officer, the other independent directors, and range from zero to a maximum of 150% of the original shares awarded. The terms of these awards are intended to comply with Internal Revenue Code Section 162(m) requirements. Participants receive cash dividend equivalent payments on the performance share awards in an amount equal to dividends paid to shareholders on our common stock.

If an executive ceases to be an employee of Harris prior to the expiration of the performance period for any reason other than death, disability or retirement after age 55 with ten or more years of full-time service, all performance shares shall be forfeited. In the case of death, disability or retirement after age 55 with ten or more years of full-time service, the executive or his or her estate shall be eligible to receive a pro-rata portion of the award that would otherwise be issued at the expiration of the performance period.

In the event of a change in control, the performance objectives applicable to the award are deemed to be attained, and performance shares are to be paid out at the end of the performance period, provided that:

In the event of death, disability, retirement or involuntary termination other than for cause, the shares are to be paid as soon as practicable;

In the event of resignation or termination for cause, the shares are forfeited; and

In the event of certain defined changes in our capital structure, then, at the participant's election, the award is to be paid in shares or cash, as soon as practicable.

EMPLOYMENT AND CHANGE IN CONTROL SEVERANCE AGREEMENTS

Employment Agreement – Howard L. Lance

On December 3, 2004, the Board of Directors approved, and Harris and Mr. Lance entered into, a letter agreement (the "Letter Agreement") providing for Mr. Lance's continued employment as Harris' Chief Executive Officer and President, and his continued service as a director and Chairman of the Board of Directors. The terms of Mr. Lance's employment by Harris have been governed by the Letter Agreement since January 20, 2005, following the expiration on January 19, 2005 of the Executive Employment Agreement, dated as of January 20, 2003, by and between Harris and Mr. Lance and all obligations under that agreement.

The Letter Agreement provides for an indefinite term of employment commencing on January 20, 2005 and ending on termination of Mr. Lance's employment either by Harris with or without cause, or upon Mr. Lance's resignation for good reason (as such terms are defined in the Letter Agreement), death, disability, or other resignation or retirement.

In the event Mr. Lance's employment is terminated by Harris without cause, which Harris is entitled to do upon thirty days' prior written notice, or by Mr. Lance for good reason, then Mr. Lance would be entitled to receive from Harris (i) continuation of his then-current base salary for a period of two years; (ii) his pro-rated bonus for the year of termination; (iii) without duplication, his accrued but unpaid base salary through the date of termination, his earned but unpaid bonus for the prior fiscal year, reimbursement of reasonable business expenses incurred prior to the date of termination, and other or additional compensation benefits in accordance with the terms of applicable Harris plans or employee benefit programs for terminated employees; (iv) continued participation in the medical, dental, hospitalization, short-term and long-term disability, and group life insurance coverage plans of Harris in which he was participating on the date of termination until 24 months following such date of termination (or, if earlier, until the date or dates on which he receives comparable coverage and benefits under the plans and programs of a subsequent employer); (v) during the two-year period following termination and notwithstanding the terms and conditions of his stock option and restricted stock agreements, continued vesting of his unvested restricted stock and/or options, and as to vested stock options, continued exercisability

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until the date which is three months after the end of such two-year period; (vi) prorated vesting of his outstanding performance share awards pursuant to Harris' performance targets and resultant performance; and (vii) outplacement services at Harris' expense for up to one year following the date of termination in accordance with the practices of Harris as in effect from time to time for senior executives.

In the event Mr. Lance's employment is terminated by Harris for cause or upon Mr. Lance's resignation other than for good reason, death, disability, or retirement, then Mr. Lance (or his estate or legal representative, as appropriate) shall be entitled to receive from Harris his accrued but unpaid base salary through the date of termination, his earned but unpaid bonus for the prior fiscal year, reimbursement of reasonable business expenses incurred prior to the date of termination, and other compensation benefits in accordance with the terms of applicable Harris plans or employee benefit programs for terminated employees. In the event Mr. Lance's employment is terminated as a result of his death or disability, he shall also be entitled to other compensation benefits in accordance with the terms of applicable Harris plans for employees who die or become disabled, as appropriate.

In the event of a change in control of Harris (which, as provided in the Letter Agreement, is defined in the Executive Severance Agreement, dated as of January 20, 2003, by and between Harris and Mr. Lance), and if Mr. Lance's employment terminates under the circumstances provided under such Executive Severance Agreement, then Mr. Lance will be entitled to the compensation and benefits provided under such Executive Severance Agreement in lieu of any compensation or benefits receivable by him under the Letter Agreement.

The Letter Agreement also provides that, for a one-year period following termination of his employment for any reason (or a two-year period if he is receiving severance from Harris), without Harris' prior written consent, Mr. Lance may not associate with an enterprise that competes with Harris or during his employment with Harris and for a two-year period following termination of his employment for any reason, solicit any customer or any employee of Harris to leave Harris.

Executive Change in Control Severance Agreements

To provide continuity of management and dedication of our corporate executives in the event of a threatened or actual change in control of Harris, our Board has approved change in control severance agreements for our officers and key managers, including the Named Executive Officers. Under these agreements, our officers and key managers are provided with severance benefits in the event the executive's employment is terminated by us without cause, or by the executive for good reason, within two years following a change in control (all terms as defined in the severance agreement). Under the change in control severance agreement, the executive agrees not to voluntarily terminate his or her employment with us during the six-month period following a change in control.

If triggered, the lump-sum severance benefit payable under the change in control severance agreement equals the sum of (a) the executive's unpaid base salary through the date of termination, a pro-rated annual bonus (as determined under the severance agreement), any compensation deferred by the executive other than under a tax-qualified plan and any accrued vacation pay; and (b) from one to three times (based upon the executive's position) the executive's highest annual rate of base salary during the 12-month period prior to the date of termination and from one to three times (based upon the executive's position) the greatest of the executive's highest annual bonus in the three years prior to the change in control, the executive's target bonus for the year during which the change in control occurred or the executive's target bonus for the year in which the executive's employment is terminated. Payment amounts are three times compensation and bonus for Messrs. Lance, Roub, Henry and Heldreth and two times compensation and bonus for Mr. Massari. In addition, for the two years following the date of termination, the executive receives the same level of medical, dental, accident, disability, life insurance and any similar

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benefits as are in effect on the date of termination (or the highest level of coverage provided to active executives, if more favorable). The executive also receives reimbursement for any relocation expense related to the pursuit of other business opportunities incurred within two years following the date of termination, for recruitment or placement services of up to \$4,000 and for professional financial or tax planning services of up to \$5,000 per year. The change in control severance agreement also provides for a tax gross-up payment to the executive in the event that payment of any severance benefits is subject to excise taxes imposed under Section 4999 of the Internal Revenue Code. In addition, pursuant to the change in control severance agreement we will reimburse the executive for any legal fees and costs with respect to any dispute arising under the severance agreement.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Harris currently employs more than 12,600 employees and has an active recruitment program for soliciting job applications from qualified candidates. Harris seeks to hire the most qualified available candidates and does not preclude the hiring of family members. During fiscal 2005, Paul Roub, son of Bryan R. Roub, our Senior Vice President and Chief Financial Officer, was employed by us as a software engineer. Paul Roub's salary was established in accordance with our employment and compensation practices applicable to employees with equivalent qualifications, experience and responsibilities and he received more than \$60,000 in annual compensation.

Table of Contents**HARRIS STOCK PERFORMANCE GRAPH**

The graph below compares the five-year cumulative total return of our common stock with the comparable five-year cumulative total returns of the Standard & Poor's 500 Information Technology Sector Index (S&P 500 Information Technology) and the Standard & Poor's 500 Composite Stock Index (S&P 500). The figures assume an initial investment of \$100 on June 30, 2000 in Harris, the S&P 500 Information Technology and the S&P 500, and the reinvestment of all dividends.

**COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN
AMONG HARRIS, S&P 500 AND S&P 500 INFORMATION TECHNOLOGY**

FISCAL YEAR END	2000	2001	2002	2003	2004	2005
Harris	\$100	84	112	94	160	199
S&P 500	\$100	85	70	70	83	