

ELBIT SYSTEMS LTD
Form 6-K
October 12, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16

of the Securities Exchange Act of 1934

For the Month of October 2010

Commission File Number 000-28998

ELBIT SYSTEMS LTD.

(Translation of Registrant's Name into English)

Advanced Technology Center, P.O.B. 539, Haifa 31053, Israel

(Address of Principal Corporate Offices)

Edgar Filing: ELBIT SYSTEMS LTD - Form 6-K

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note : Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note : Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

Edgar Filing: ELBIT SYSTEMS LTD - Form 6-K

Attached hereto as Exhibit 1 and incorporated by reference herein is the Registrant's proxy statement, to be mailed to the Registrant's shareholders on or about October 22, 2010.

Attached hereto as Exhibit 2 and incorporated by reference herein is the Registrant's proxy card, to be mailed to the Registrant's shareholders on or about October 22, 2010.

SIGNATURE

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

ELBIT SYSTEMS LTD.
(Registrant)

By: /s/ Ronit Zmiri
Name: Ronit Zmiri
Title: Corporate Secretary

Dated: October 12, 2010

Exhibit Index

Exhibit No.	Description
1.	Proxy Statement
2.	Proxy Card

October 12, 2010

Dear Fellow Shareholder,

You are cordially invited to attend the Elbit Systems Ltd. Shareholders' Annual General Meeting to be held at 10:00 a.m. local time on Thursday, November 18, 2010, at our offices at the Advanced Technology Center, Haifa, Israel.

The agenda of the meeting and the proposals to be voted on are described in the accompanying proxy statement. For the reasons described in the proxy statement, the Board of Directors recommends that you vote **FOR** Items 1, 2 and 3, as specified on the enclosed proxy card.

At the meeting, management also will present the other matters described in the proxy statement and provide a discussion period for questions and comments of general interest to shareholders.

We look forward to greeting all the shareholders who attend the meeting. However, whether or not you are able to attend, it is important that your shares be represented. Therefore, at your earliest convenience, please complete, date and sign the enclosed proxy card and return it promptly in the pre-addressed envelope provided so that it is received at least 24 hours before the meeting.

We urge all of our shareholders to review our annual report on Form 20-F, which is available on our website at www.elbitsystems.com (under Investor Relations: Financial Reports: Annual Reports: Elbit Systems 2009 Annual Report (20F)).

Thank you for your cooperation.

Very truly yours,

MICHAEL FEDERMANN

Chairman of the Board of Directors

JOSEPH ACKERMAN

President and Chief Executive Officer

ELBIT SYSTEMS LTD.

NOTICE OF SHAREHOLDERS' ANNUAL GENERAL MEETING

Haifa, Israel

October 12, 2010

This is notice that the Shareholders' Annual General Meeting (the Meeting) of Elbit Systems Ltd. (the Company) will be held at the Company's offices at the Advanced Technology Center, Haifa, Israel, on Thursday, November 18, 2010, at 10:00 a.m. local time.

It is proposed at the Meeting to adopt the following resolutions:

1. to re-elect the following directors to the Company's Board of Directors until the close of the next Shareholders' Annual General Meeting: Messrs. M. Federmann, Arad, Asheri, D. Federmann, Neuman and Ninveh and Mrs. Baum;
2. to elect Mrs. Dalia Rabin to a three-year term as an External Director commencing on the close of this Shareholders' Annual General Meeting and ending on November 17, 2013; and
3. to re-appoint Kost, Forer, Gabbay & Kasierer, a member of Ernst & Young Global, as the Company's independent auditor for the fiscal year 2010 and until the close of the next Shareholders' Annual General Meeting.

In addition, at the Meeting the Company will present the Consolidated Financial Statements of the Company for the fiscal year ended December 31, 2009. The Company also will report on the dividend paid to shareholders, the compensation paid to the Company's directors and the compensation arrangements with the Company's independent auditor, with respect to fiscal year 2009. Further details with respect to the proposed resolutions are included in the accompanying proxy statement.

A majority of the votes cast at the Meeting either in person or by proxy is required: (a) to elect, under Item 1 on the agenda, each of the individuals nominated to be a director and (b) to approve, under Item 3 on the agenda, re-appointment of the independent auditor.

To elect Mrs. Dalia Rabin to a three-year term as an External Director under Item 2 on the agenda, the required voting majority is a majority of the votes cast at the Meeting, whether in person or by proxy, provided that (i) such majority includes at least one-third (1/3) of the total votes of non-controlling shareholders or anyone voting on their behalf present at the Meeting in person or by proxy (abstentions will not be taken into account); or (ii) the total number of votes of the shareholders mentioned in (i) above that are voted against the election of Mrs. Rabin does not exceed one percent (1%) of the Company's voting rights.

Only shareholders of record at the close of business on October 19, 2010 (the Record Date) are entitled to receive notice of, and to vote at, the Meeting. All shareholders are cordially invited to attend the Meeting in person.

A shareholder, whose shares are registered with a member of the Tel-Aviv Stock Exchange Ltd. (the TASE), is required, in order to vote, to prove his or her share ownership to vote at the Meeting. Such shareholder will provide the Company with an ownership certificate (as of the Record Date) from that TASE member and is entitled to receive the ownership certificate in the branch of the TASE member or by mail to his or her address (in consideration of mailing fees only), if the shareholder so requests. Such a request must be made in advance for a particular securities account.

A shareholder may attend the Meeting and vote in person or appoint a proxy to participate and vote on his or her behalf at the Meeting (subject to the provisions of the Company's articles of association). An appointment of a proxy must be in writing, signed by the shareholder and delivered to the Company's registered office at least twenty-four (24) hours before the Meeting.

In addition, shareholders who are unable to attend the Meeting in person may vote with respect to the items on the Meeting's agenda by means of a proxy card that is attached to the accompanying proxy statement. These

shareholders are requested to complete, date and sign the enclosed proxy card and return it promptly in the pre-addressed envelope provided so that it is received by the Company at least 24 hours before the Meeting, *i.e.*, by November 17, 2010 at 10:00 a.m. local time. No postage is required if mailed in the United States. Shareholders who attend the Meeting may revoke their proxies and vote their shares in person.

Shareholders are permitted to express their position on the proposals on the agenda of this Meeting by submitting a written statement (the Position Statement), through the Company, to the other shareholders. Position Statements should be submitted to the Company at its registered offices, at Elbit Systems Ltd., Advanced Technology Center, Haifa, 31053 Israel, to the attention of Mrs. Ronit Zmiri, Corporate Secretary, no later than October 29, 2010.

A form of the proxy card and a copy of each Position Statement submitted (if submitted) will be available to the public on the distribution website of the Israeli Securities Authority at www.magna.isa.gov.il and on the website of the TASE at www.tase.co.il, and also on the website of the Securities and Exchange Commission at www.sec.gov. A shareholder may apply to the Company directly in order to receive a copy of the proxy card and any Position Statement submitted (if submitted).

A shareholder, whose shares are registered with a TASE member, is entitled to receive from the TASE member who holds the shares on the shareholder s behalf, by email, for no charge, a link to the text of the proxy card and to the Position Statements posted on the Israel Securities Authority website, (unless the shareholder notified that the shareholder is not so interested); provided, that the notice was provided with respect to a particular securities account, prior to the Record Date.

A copy of the accompanying proxy statement which includes the full version of the proposed resolutions, may be reviewed at the Company s offices at the Advanced Technology Center, Haifa, Israel, after coordinating in advance with the Corporate Secretary (Tel: 972 4 8316632) between 9:00 a.m. and 4:00 p.m. Israel time, Sunday Thursday and may also be reviewed at the distribution website of the Israeli Securities Authority at www.magna.isa.gov.il, at the website of the TASE at www.tase.co.il, and at the website of the Securities and Exchange Commission at www.sec.gov.

By Order of the Board of Directors,

MICHAEL FEDERMANN

Chairman of the Board of Directors

JOSEPH ACKERMAN

President and Chief Executive Officer

The Company s Consolidated Financial Statements for the fiscal year ended December 31, 2009 are enclosed but are not a part of this proxy and should not be considered as proxy solicitation material.

QUESTIONS AND ANSWERS ABOUT THE SHAREHOLDERS

ANNUAL GENERAL MEETING

The following questions and answers summarize the major issues to be discussed at the Shareholders' Annual General Meeting. For a more complete description of the issues please see the accompanying Proxy Statement.

Q: When and where is the Meeting?

A: The Meeting will take place at 10:00 a.m. local time, on Thursday, November 18, 2010, at the Company's offices at the Advanced Technology Center, Haifa, Israel.

Q: What is the record date for the Meeting?

A: The record date is October 19, 2010, and all shareholders holding shares at the close of business on October 19, 2010 will be entitled to receive notice of and to vote at the Meeting.

Q: What are the items to be voted on at the Meeting?

A: The items to be voted on include:

To re-elect seven directors who are not External Directors to the Board of Directors;

To elect an External Director to the Board of Directors; and

To re-appoint the Company's independent auditor for the fiscal year 2010 and until the close of the next Shareholders' Annual General Meeting.

Q: Does the Company and its Board of Directors support the proposals to be voted on at the Meeting?

A: Yes.

Q: What voting majority is required to approve the proposals?

For the approval of Item 1 (re-election of directors who are not External Directors) and Item 3 (re-appointment of the Company's independent auditor) in the Proxy Statement the required majority is more than 50% of the shares voted at the Meeting.

For the approval of Item 2 (election of an External Director to the Board of Directors) in the Proxy Statement the required majority is more than 50% of the shares voted at the Meeting provided that (i) such majority includes at least one-third (1/3) of the total votes of non-controlling shareholders or anyone voting on their behalf present at the Meeting in person or by proxy (abstentions will not be taken into account); or (ii) the total number of votes of the shareholders mentioned in (i) above that are voted against such election does not exceed one percent (1%) of the Company's voting rights.

Edgar Filing: ELBIT SYSTEMS LTD - Form 6-K

Q: What other matters will be presented at the Meeting?

A: The Company also will present at the Meeting the following matters relating to the fiscal year ended December 31, 2009:

its Consolidated Financial Statements;

the dividend paid to shareholders;

the compensation paid to the Company's directors; and

the compensation arrangement with the Company's independent auditor.

Q: What do I need to do now?

A: Just indicate on your proxy card how you want to vote, and sign and mail it in the enclosed return envelope as soon as possible, so that your shares will be represented at the Meeting. The signed proxy card must be received by the Company at least 24 hours before the Meeting. If you sign and send in your proxy card but do not indicate how you want to vote, your proxy will be counted as a vote for all the proposals.

Q: What do I do if I want to change my vote?

A: Just mail a later-dated, signed proxy card or other document revoking your proxy in time for it to be received by the Company at least 24 hours before the Meeting, or attend the Meeting in person and vote.

Q: If my shares are held in street name by my broker, a bank or other representative, will my representative vote my shares for me?

A: If you hold your shares through a broker, bank or other representative, generally the broker or other representative may only vote the shares it holds for you in accordance with your instructions. However, if the broker or other representative does not receive your instructions in time, it may vote on certain types of matters for which it has discretionary authority.

Q: Who can help answer my questions?

A: For additional information about the Meeting, please contact during normal office hours, Sunday through Thursday, Ronit Zmiri, the Company's Corporate Secretary at the Company's offices in Haifa, Israel, telephone +972-4-8316632.

ELBIT SYSTEMS LTD.

Advanced Technology Center

P.O. Box 539

Haifa 31053, Israel

PROXY STATEMENT

This Proxy Statement is provided to the holders of ordinary shares, NIS 1.00 nominal value (the Shares), of Elbit Systems Ltd. (the Company or Elbit Systems), in connection with the Board of Directors' solicitation of proxies for use at the Shareholders' Annual General Meeting to be held at the Company's offices at the Advanced Technology Center, Haifa, Israel, on Thursday, November 18, 2010 at 10:00 a.m. Israel time (the Meeting), or at any adjournment of the Meeting, as specified in the accompanying Notice of Shareholders' Annual General Meeting.

It is proposed that the shareholders adopt resolutions at the Meeting for the following purposes:

- (1) to re-elect seven directors to the Company's Board of Directors who are not External Directors as defined in the Israel Companies Law 1999 (the Companies Law);
- (2) to elect Mrs. Dalia Rabin to a three year term as an External Director; and
- (3) to re-appoint the Company's independent auditor for the fiscal year 2010 and until the close of next Shareholders' Annual General Meeting.

In addition, at the Meeting the Company will present or report on certain additional matters as noted below under matters to be reported.

Shares represented by properly signed and unrevoked proxies will be voted in the manner directed by the persons designated as proxies.

QUORUM AND VOTING REQUIREMENTS

Only shareholders of record at the close of business on October 19, 2010 have the right to receive notice and to vote at the Meeting. Distribution of the Proxy Statement will be made following the record date.

On October 5, 2010, the Company had 42,696,542 Shares outstanding, each giving a right of one vote for each of the matters to be presented at the Meeting. (This amount includes 23,021 Shares held by a wholly-owned subsidiary of the Company but does not include 385,900 Shares held by the Company as treasury shares). No less than two shareholders present in person or by proxy, and holding at least one-third of the outstanding Shares, will constitute a quorum at the Meeting.

If a quorum is not present within one-half hour after the time set for the Meeting, the Meeting will be adjourned and will be reconvened one week later at the same time and place unless other notice is given by the Board of Directors. If there is not a quorum within one-half hour of the time for the reconvened meeting, a quorum will be considered present as long as at least two shareholders holding at least ten percent (10%) of the outstanding Shares, participate in person or by proxy.

Joint holders of Shares should note that according to the Company's Articles of Association the vote, whether in person or by proxy, of the more senior of joint holders of any voted Share will be accepted over vote(s) of the other joint holders of that Share. For this purpose seniority will be determined by the order the joint holders' names appear in the Company's Register of Shareholders.

A majority of the votes cast at the Meeting either in person or by proxy is required: (a) to re-elect, under Item 1 of this Proxy Statement, each of the individuals nominated to be a director and (b) to approve, under Item 3 of this Proxy Statement, re-appointment of the independent auditor.

To elect Mrs. Dalia Rabin to a three-year term as an External Director under Item 2 of this Proxy Statement, the required voting majority is a majority of the votes cast at the Meeting, whether in person or by proxy, provided that (i) such majority includes at least one-third (1/3) of the total votes of non-controlling shareholders or anyone voting on their behalf present at the Meeting in person or by proxy (abstentions will not be taken into account); or (ii) the total number of votes of the shareholders mentioned in (i) above that are voted against the election of Mrs. Rabin does not exceed one percent (1%) of the Company's voting rights.

With respect to Item 2 each shareholder who attends the Meeting in person or by proxy will advise the Company or indicate in the proxy card, as the case may be whether or not that shareholder is a controlling shareholder or acting on behalf of a controlling shareholder. Failure to advise or indicate as detailed herein will render the respective Shares ineligible to vote with respect to Item 2.

VOTING BY PROXY

A proxy card for use at the Meeting and a return envelope for the proxy card are enclosed. Shareholders may revoke any proxy card prior to its exercise by filing with the Company a written notice of revocation or a properly signed proxy card of a later date, or by voting in person at the Meeting. In order to be counted for purposes of voting at the Meeting, a properly signed proxy card must be received by the Company at least 24 hours before the Meeting.

Unless otherwise indicated on the proxy card, Shares represented by a properly signed and received proxy card in the enclosed form will be voted in favor of the above described matters to be presented for voting at the Meeting. Abstentions will not be treated as either a vote for or against the matter, although they will be counted to determine if a quorum is present.

Proxy cards are being mailed to shareholders on or about October 22, 2010, and will be solicited primarily by mail. However, in some cases proxies may be solicited by telephone, telegram or other personal contact. The Company will pay for the cost of the solicitation of proxies, including the cost of preparing, assembling and mailing the proxy material, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to shareholders.

This Proxy Statement and the accompanying proxy card also constitute a voting deed (Ktav Hatzba'a) for the purpose of Regulation 3(c) of the Israeli Companies Regulations (Alleviation for Public Companies Whose Shares are Listed on a Stock Exchange Outside of Israel) 2000.

POSITION STATEMENTS

Shareholders are permitted to express their position on the proposals on the agenda of this Meeting by submitting a written statement (the Position Statement), through the Company, to the other shareholders. Position Statements should be submitted to the Company at its registered offices, at Elbit Systems Ltd., Advanced Technology Center, Haifa, 31053 Israel, to the attention of Mrs. Ronit Zmiri, Corporate Secretary, no later than October 29, 2010. Reasonable costs incurred by the Company in dealing with a Position Statement will be borne by the submitting shareholder.

BENEFICIAL OWNERSHIP OF SECURITIES BY

CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows, as of October 5, 2010, to the best of the Company's knowledge, the number of Shares⁽¹⁾ owned by (i) all shareholders known by the Company to own 5% or more of the Company's Shares and (ii) all directors and officers of the Company as a group.

Federmann Enterprises Ltd.	19,398,529	45.43%
99 Hayarkon Street		
Tel-Aviv, Israel ⁽²⁾		
Heris Aktiengesellschaft	3,836,458 ⁽³⁾	8.98%
c/o 99 Hayarkon Street		
Tel-Aviv, Israel		
All officers and directors	161,697 ⁽⁴⁾	0.37%
as a group (29 persons)		

- (1) The total number of Shares includes 23,021 Shares held by a subsidiary of Elbit Systems but excludes 385,900 Shares held by Elbit Systems as treasury shares.
- (2) Federmann Enterprises Ltd. (FEL) owns Shares of Elbit Systems directly and indirectly through Heris Aktiengesellschaft (Heris) which is controlled by FEL. FEL is controlled by Beit Federmann Ltd. (BFL). BFL is controlled by Beit Bella Ltd. (BBL) and Beit Yekutiel Ltd. (BYL). Michael Federmann is the controlling shareholder of BBL and BYL. He is also the Chairman of Elbit Systems' Board and the Chairman of the Board and the Chief Executive Officer of FEL. Therefore, Mr. Federmann controls, directly and indirectly, the vote of Shares owned by Heris and FEL.
As of October 5, 2010, 4,655,448 Shares held by FEL were pledged to Bank Leumi Le-Israel BM to guarantee loans provided to FEL in connection with FEL's purchase in 2004 of Shares from Elron Electronics Industries Ltd. as well as to guarantee an increase of the loan provided to FEL according to an April 2007 amendment to the loan agreement. In addition, 2,175,000 Shares held by FEL were pledged in favor of Bank Hapoalim BM in connection with FEL's purchase in 2006 from Koor Industries Ltd. of 2,350,000 Shares.
- (3) The amount of Shares owned by Heris is included in the amount of shares held by FEL as set forth in footnote (2) above.
- (4) This amount does not include any Shares that may be deemed to be beneficially owned by Michael Federmann as described in footnote (2) above. The amount includes 298,254 Shares underlying options that are currently exercisable or that will become exercisable within 60 days of October 5, 2010. A portion of the underlying options are phantom options or cashless options that have been calculated based on Elbit Systems' October 5, 2010 closing Share price on TASE of \$55.55.

**DIRECTOR INDEPENDENCE CRITERIA AND
CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**

Under the Nasdaq Marketplace Rules that are applicable to the Company, a majority of the members of the Board of Directors (the Board) must meet certain independence criteria. All of the members of the Audit Committee of the Board (the Audit Committee) must meet certain independence criteria as well. In addition, in accordance with the Nasdaq Marketplace Rules, the Company's Corporate Governance and Nominating Committee of the Board (the Corporate Governance and Nominating Committee), consisting in its entirety of directors meeting the independence criteria for directors as defined by Nasdaq, among other functions, makes recommendations to the Board of qualified candidates for election or appointment to the Board.

Three of the continuing members of the Board (Messrs. Arad, Asheri and Neeman) and the External Director Dr. Gleitman, meet the board of directors' independence criteria under the applicable Nasdaq Marketplace Rules for independent directors and audit committee members. The Corporate Governance and Nominating Committee, as well as the Audit Committee, and the Board as a whole have determined that the proposed nominee, Mrs. Rabin, meets the independence criteria under the applicable Nasdaq Marketplace Rules for independent directors and audit committee members, as well as the criteria for External Directors under the Companies Law.

ITEM 1 RE-ELECTION OF DIRECTORS

At the Meeting, the following seven directors who are not External Directors are nominated to be re-elected: Messrs. Michael Federmann, Moshe Arad, Avraham Asheri, David Federmann, Yigal Ne'eman and Dov Ninveh and Mrs. Rina Baum. Also, if elected to another term as a director, Michael Federmann will continue to serve as Chairman of the Board. Dr. Yehoshua Gleitman, currently an External Director, will continue to serve as External Director until March 3, 2013. The term of the second External Director, Mr. Nathan Sharony, ends on the close of the Meeting. See Item 2 below regarding the election of an External Director to replace Mr. Sharony.

The Companies Law requires that a person will not be elected and will not serve as a director in a public company if he or she does not have the required qualifications and the ability to dedicate an appropriate amount of time for the performance of his or her director position in the company, taking into consideration, among other factors, the special needs and size of the company. A general shareholders meeting of a company whose shares are publicly traded, at which the appointment of a director is to be considered, will not be held unless the nominee has declared to the company that he or she complies with the above-mentioned requirements and details of his or her applicable qualifications are provided.

Each of the proposed nominees Messrs. M. Federmann, Arad, Asheri, D. Federmann, Ne'eman and Ninveh and Mrs. Baum, has declared to the Company that he or she complies with the required qualifications under the Companies Law for appointment as a member of the Board of Directors of the Company, detailing his or her applicable qualifications, and that he or she is capable of dedicating the appropriate amount of time for the performance of his or her role as a member of the Company's Board.

The Corporate Governance and Nominating Committee has recommended to the Board that each of the above-mentioned nominees, all of whom currently serve as directors of the Company, be nominated for re-election to the Company's Board. As mentioned above under "DIRECTOR INDEPENDENCE CRITERIA AND CORPORATE GOVERNANCE AND NOMINATING COMMITTEE", three of these nominees (Messrs. Arad, Asheri and Ne'eman) meet the board of directors' independence criteria under the applicable Nasdaq Marketplace Rules, as does the continuing External Director Dr. Gleitman and as will, if elected for a term as an External Director, Mrs. Rabin.

The Board has approved the recommendation of the Corporate Governance and Nominating Committee with respect to the list of nominees. Accordingly, the persons named in the proxy card distributed with this Proxy Statement intend to vote for the election of the above-named seven nominees.

Each nominee so elected as a director will hold office until the close of the next Shareholders' Annual General Meeting and until his or her successor is elected and qualified, unless any director's office is vacated earlier in accordance with the provisions of the Companies Law and the Company's Articles of Association.

The Company is not aware of any reason why any of the nominees, if elected, should be unable to serve as a director. Nevertheless, if any of the nominees should be unable to serve, the proxies will be voted for the election of such other person or persons as determined by the persons named in the proxy card in accordance with his or her judgment, provided such other person(s) meet the applicable requirements to be a director of the Company and have been recommended by the Corporate Governance and Nominating Committee for nomination to the Board.

The Company's shareholders, at the Shareholders' Annual General Meeting held in 2004, approved payments to directors thereafter in accordance with maximum regulatory rates payable to External Directors under Israeli law for companies similarly classified based on equity. These rates were linked to the Israeli consumer price index and were updated and paid from time to time by the Company through March 2008. At an Extraordinary General Shareholders Meeting held in March 2008, the Company's shareholders approved, effective April 1, 2008 and thereafter so long as said resolution has not been replaced or revoked by a

Shareholders' General Meeting, the rates of compensation paid to the Company's External Directors and to other directors meeting the director independence criteria of the Nasdaq Marketplace Rules. This compensation is consistent with amendments to Israeli law regarding compensation to External Directors who serve on the boards of dual listed companies, such as the Company, who have additional duties under the applicable foreign law due to their status as independent directors. As a result, and so long as the resolution adopted on March 2008 mentioned above is in effect, External Directors and other such independent directors are and will be entitled to an annual fee of NIS 108,586, equal to approximately \$30,012 and a per meeting fee of 2,389 NIS, equal to approximately \$660, which reflect the fees levels previously approved at the 2008 Shareholders' Extraordinary General Meeting (NIS 100,000 and NIS 2,200, respectively) and linked to the Israeli consumer price index. The External Directors and other such independent directors are prohibited from receiving any other compensation, directly or indirectly, in connection with services provided as an External Director, independent director or otherwise. The other directors are paid the following compensation: an annual fee of NIS 53,962, equal to approximately \$14,914, and a per meeting fee of NIS 2,036, equal to approximately \$562, which reflect the fee levels previously approved at the 2004 Shareholders' Annual General Meeting and linked to the Israeli consumer price index. The Company currently intends to maintain such compensation rates to such directors. Compensation payments to directors are made either directly to the director or to his or her employing company.

The nominees and the current continuing External Director, their respective ages as of October 5, 2010, and the year in which they became directors of the Company are as follows:

Board of Directors

Name	Age	Director since
Michael Federmann (Chairman)	67	2000
Moshe Arad	76	2005
Avraham Asheri	72	2000
Rina Baum	65	2001
David Federmann	35	2007
Yehoshua Gleitman (External Director)	61	2010
Yigal Ne'eman	68	2004
Dov Ninveh	63	2000

Michael Federmann. Michael Federmann has served as Chairman of the Board since 2000. He has held managerial positions in the Federmann Group since 1969, and since 2002 he has served as chairman and CEO of FEL. Currently, he also serves as chairman of the board of directors of Dan Hotels Corp. Ltd. (Dan Hotels). Mr. Federmann is chairman of the board of governors of the Hebrew University of Jerusalem (the Hebrew University). He serves as the president of the Israel-Germany Chamber of Industry and Commerce. Mr. Federmann holds a bachelor's degree in economics and political science from the Hebrew University.

Moshe Arad. Moshe Arad served as vice president for external relations of the Hebrew University from 1994 to 2004. He currently serves on the board of directors of Discount Investment Corporation Ltd. From 1994 to 1999, he was a member of the board of directors of Elbit Ltd. During 1992 and 1993, Mr. Arad served as director general of the Israel Ministry of Communications. From 1990 to 1992, he was a member of the Tel-Aviv law firm of Herzog, Fox, Ne'eman. Mr. Arad served as Israel's ambassador to the United States from 1987 to 1990 and as Israel's ambassador to Mexico from 1983 to 1987. Ambassador Arad holds a bachelor's degree in political science and international relations and an L.L.B. degree from the Hebrew University. Mr. Arad serves on the Audit Committee and the Compensation Committee of the Board.

Avraham Asheri. Avraham Asheri has served as an economic advisor and a director of several companies since 1998. He currently serves on the boards of directors of Elron Electronic Industries Ltd., Discount Mortgage Bank Ltd., Koor Industries Ltd., Mikronet Ltd. and Radware Ltd. Mr. Asheri was president and chief executive

officer of Israel Discount Bank from 1991 until 1998, and executive vice president and member of its management committee from 1983 until 1991. Prior to that, he served for 23 years at the Israel Ministry of Industry and Trade and at the Israel Ministry of Finance, including as director general of the Israel Ministry of Industry and Trade, managing director of the Israel Investment Center and Trade Commissioner of Israel to the United States. Mr. Asheri holds a bachelor's degree in economics and political science from the Hebrew University. Mr. Asheri serves as Chairman of the Compensation Committee and as a member of the Audit Committee and the Corporate Governance and Nominating Committee of the Board. He is considered by the Board to have accounting and financial expertise under the Companies Law.

Rina Baum. Rina Baum is vice president for investments of FEL and since 1986 has served as director and general manager of Unico Investment Company Ltd. She serves as a director of Dan Hotels, Etanit Building Products Ltd. and Incotec Ltd., as well as in other managerial positions within the Federmann Group. She also serves as a director in Harel-PIA Mutual Funds Management Company Ltd. Mrs. Baum holds an L.L.B. degree from the Hebrew University.

David Federmann. David Federmann has served in various management capacities in FEL since 2000 and since 2002 as business development manager of Freiburger Compound Materials GmbH in Freiberg, Germany. He serves on the boards of directors of Dan Hotels Corp. Ltd. and BGN Technologies (the Technology Transfer Company of Ben-Gurion University). David Federmann is the son of Michael Federmann, Chairman of the Board. Mr. Federmann holds a bachelor's degree in mathematics and philosophy from New York University.

Dr. Yehoshua Gleitman. Dr. Yehoshua (Shuki) Gleitman has served as the managing partner of Platinum VC since 2001. He currently serves as chairman of the board of directors of Widemed Ltd. and of Capital Point Ltd. and is a director of Voltaire Inc. and Teuza – A Fairchild Technology Venture Ltd. From 2000 until 2005, he was the chief executive officer and a director of SFKT Ltd. From 1997 until 1999, Dr. Gleitman was the chief executive officer of Ampal-American Israel Corporation. Prior to that he served in various senior management positions in the Israeli Government and in Israeli industry, including as director general and chief scientist of the Israel Ministry of Industry and Trade, chairman of the U.S.-Israel Industrial R&D Foundation, joint chairman of the U.S.-Israel Science and Technology Commission, managing director of AIMS Ltd., vice president and general manager of Elop Electro-Optic Industries Ltd. (Elop) marine and aerial operations and head of the Laser Branch of the Israel Ministry of Defense. Dr. Gleitman serves as the honorary consul general of Singapore to Israel, is chairman of the executive board of Holon Institute of Technology and is a member of the executive board of Tel-Aviv University. Dr. Gleitman holds bachelors of science, master of science and PhD degrees in physical chemistry from the Hebrew University. Dr. Gleitman serves as a member of the Audit Committee and the Corporate Governance and Nominating Committee of the Board. He is considered by the Board to have accounting and financial expertise under the Companies Law.

Yigal Ne'eman. Yigal Ne'eman has served as the chairman and president of the Israel College since 1994. From 1989 to 1993, he served as chairman and as a shareholder of several industrial, commercial and service companies. Mr. Ne'eman served as the president and CEO of Tadiran Ltd (Tadiran) from 1981 to 1989. During that period he also served as chairman of the board of directors of Elisra Electronic Systems Ltd. and of Elop Electro-Optics Industries Ltd. (Elop). Prior to that he held a number of management positions in the control and finance departments of Tadiran. Mr. Ne'eman completed his accounting studies at the Hebrew University and is a Certified Public Accountant. Mr. Ne'eman serves as a member of the Audit Committee and the Corporate Governance and Nominating Committee of the Company's Board of Directors. He is considered by the Board to have accounting and financial expertise under the Companies Law.

Dov Ninveh. Dov Ninveh has served as chief financial officer and a manager in FEL since 1994. He serves as a director of Dan Hotels and Etanit Ltd. Mr. Ninveh served as a director of Elop from 1996 until 2000. From 1989 to 1994, he served as deputy general manager of Etanit Building Products Ltd. Mr. Ninveh holds a bachelor's degree in economics and management from the Israel Institute of Technology (the Technion).

At the Meeting, the Board will propose that the following resolution be adopted:

RESOLVED, that Messrs. M. Federmann, Arad, Asheri, D. Federmann, Ne eman and Ninveh and Mrs. Baum are re-elected as directors of the Company until the close of the next Shareholders Annual General Meeting.

The Board recommends a vote FOR all the nominees to the Board.

ITEM 2 ELECTION OF MRS. DALIA RABIN TO SERVE A THREE-YEAR TERM AS

AN EXTERNAL DIRECTOR

Under the Companies Law:

- (1) Each Israeli public company is required to appoint at least two External Directors. Among other requirements, a person may serve as an External Director if that person (and each of that person's relatives, partners and employers, or any person to whom he or she is directly or indirectly subordinated), or any entity controlled by that person, did not have, at any time during the two (2) years preceding that person's appointment as an External Director, any affiliation with any of: (1) the applicable company, (2) the entities controlling the company, (3) the entities controlled by the company or (4) the entities controlled by the company's controlling shareholders. In addition, a person may serve as an External Director if and so long as no conflict of interest exists or may exist between his or her responsibilities as a member of the board of directors of the respective company and his or her other positions or business activities or if such position or business activities may impair his or her ability to serve as a director.
- (2) External Directors serve for a three-year term following which they may stand for re-election to an additional term of three years. In addition, External Directors in companies such as the Company that are dual listed (for example, traded on stock exchanges both in Israel and the U.S.) may stand for re-election to additional terms of up to three years each beyond the first two terms, provided that the following further conditions are met: (1) the audit committee and the board of directors both determine that based upon the expertise and the unique contribution of the External Director to the work of the board of directors and its committees, his/her re-election for an additional term is for the benefit of the company; (2) his/her re-election is approved at a general shareholders meeting by the majority required for nomination of External Directors under the Companies Law; and (3) his/her terms of service as an External Director and the considerations of the audit committee and the board of directors regarding his/her re-election were presented to the general meeting of shareholders prior to the vote on such approval. At an Extraordinary General Meeting of Shareholders held in March 2008, an amendment was approved to the Company's Articles of Association, consistent with such amendment to Israeli law.
- (3) Any committee of the board of directors must include at least one External Director, and all External Directors must be members of the audit committee.
- (4) In general, at least one External Director must have accounting and financial expertise, and the other External Director(s) must have professional competence as described below. However, in the case of a company that is dual listed on securities exchanges both in Israel and the United States, such as the Company, if one or more other directors who meet the independence criteria applicable to members of the audit committee under the foreign applicable law (including stock exchange rules) have been determined by the board of directors to have accounting and financial expertise then it is permissible for any or all of the External Directors to have only professional competence as described below. Under the relevant regulations of the Companies Law, a director has financial and accounting expertise if he or she, based on his or her education, experience and qualifications, is highly skilled in respect of, and understands, business and accounting matters and financial statements, in a manner that enables him or her to have an in-depth understanding of the company's financial statements and to stimulate discussion in respect of the manner in which the financial data is presented. The evaluation of the financial and accounting expertise of a director is to be made by the board of directors taking into account the parameters specified under the relevant regulations of the Companies Law. A director has professional competence if he or she has an academic degree in either economics, business administration, accounting, law or public administration or an academic degree in an area relevant to the company's business, or has at least five years experience in a senior position in the business management of a corporation with a substantial scope of business, in a senior position in public service or in the field of the company's business. The evaluation of the professional competence of a director is to be made by the board of directors.

As required under the Companies Law, after considering the Company's type, its size, and the scope and complexity of its activities, the Board adopted a policy pursuant to which the Board will include a minimum of two directors having financial and accounting expertise as defined under the Companies Law. For this purpose, the Board determined that two of the directors who meet applicable independence criteria, Messrs. Asheri and Neuman, as well as the continuing External Director Dr. Gleitman, have accounting and financial expertise as defined under the Companies Law.

The Companies Law also provides that a shareholders' general meeting at which the appointment of an External Director is to be considered will not be held unless the nominee has declared to the company that he or she complies with the qualifications for appointment as an External Director and has also declared that he or she has the required skills and the ability to dedicate the appropriate amount of time for the performance of his/her role as an External Director. The proposed nominee, Mrs. Dalia Rabin, has declared to the Company that she complies with the qualifications and requirements for appointment as an External Director under the Companies Law, that she has the required skills and that she is capable of dedicating the appropriate amount of time for the performance of her role as an External Director of the Company, and she has agreed to stand for election.

The Corporate Governance and Nominating Committee, as well as the Audit Committee and the Board as a whole has determined that Mrs. Rabin meets the applicable criteria for External Directors under the Companies Law and the independence criteria under the applicable Nasdaq Marketplace Rules, and has recommended that Mrs. Rabin be elected as External Director for a three-year term. In addition, the Board considers Mrs. Rabin to have professional competence as defined under the Companies Law.

If elected for a term as an External Director, Mrs. Rabin will be entitled to receive from the Company fees as described under Item 1 of this Proxy Statement and an indemnification letter, in the same terms and conditions as all other members of the Board, in accordance with the terms and limitations as approved by the Audit Committee, the Board and the Shareholders of the Company in November 2005. In addition, if elected, Mrs. Rabin will be also covered by any directors and officers liability insurance in effect as of the date of her election and thereafter by any directors and officers liability insurance purchased by the Company from time to time in accordance with the Framework Resolution approved by the Shareholders of the Company in August 2009.

If elected for a term as an External Director, Mrs. Rabin will hold office for a three-year period until November 17, 2013, unless her office is vacated earlier in accordance with the provisions of the Companies Law or the Company's Articles of Association. If for any reason Mrs. Rabin should be unable to serve, another person will be elected in accordance with applicable law.

Background information regarding Mrs. Rabin, who is 60 on the date of this Proxy Statement, is as follows:

Mrs. Dalia Rabin currently serves as the Chairperson of the Yitzhak Rabin Center, a national institute dedicated to ensuring that the legacy of former Prime Minister and Minister of Defense Yitzhak Rabin continues to impact Israeli society through experiential educational programming, a national archive and a museum. Before that, Mrs. Rabin was a member of the Israeli Government from 1999 until 2002. She was elected to the Knesset on the Center Party Ticket in 1999 and acted as Chairperson of the Ethics Committee. She also served on the Constitution, Law and Justice Committee; the Committee for the Advancement of the Status of Women; the State Control Committee; and the Committee for the Advancement of the Status of the Child. In March 2001, Mrs. Rabin was appointed Deputy Minister of Defense. She resigned in July 2002 to head the Rabin Center. Prior to her election to the Knesset, Mrs. Rabin served as the legal advisor of the professional associations of the General Federation of Labor (the Histadrut). She also served for fourteen years in the Tel Aviv District Attorney's Office in the Civil Division, specializing in Labor Law. Mrs. Dalia Rabin holds an L.L.B degree from Tel - Aviv University.

At the Meeting, the Board will propose that the following resolution be adopted:

RESOLVED, that Mrs. Dalia Rabin be elected as an External Director of the Company for a three-year term commencing on the close of this Shareholders Annual General Meeting and ending on November 17, 2013.

The Board recommends a vote FOR approval of this resolution.

**ITEM 3 RE-APPOINTMENT OF
THE COMPANY S INDEPENDENT AUDITOR
FOR THE FISCAL YEAR 2010 AND UNTIL THE CLOSE OF THE NEXT
SHAREHOLDERS ANNUAL GENERAL MEETING**

Following the recommendation by the Company s Audit Committee, it is proposed that Kost, Forer, Gabbay & Kasierer, a member of Ernst & Young Global Certified Public Accountants, will be re-appointed as independent auditor of the Company for the fiscal year 2010 and until the close of the next Shareholders Annual General Meeting. A representative of the independent auditor will be present at the Meeting and will be available to respond to appropriate questions from shareholders. Such auditor served as the Company s auditor for fiscal year 2009 and has no relationship with the Company, or with any affiliate of the Company, except as auditor.

At the Meeting, the Board will propose that the following resolution be adopted:

RESOLVED, that the Company s independent auditor, Kost, Forer, Gabbay & Kasierer, a member of Ernst & Young Global, is appointed as independent auditor of the Company for the fiscal year 2010 and until the close of the next Shareholders Annual General Meeting.

The Board recommends a vote FOR approval of this resolution.

MATTERS TO BE REPORTED

In addition, at the Meeting the Company will present or report on the following matters relating to fiscal year 2009:

its Consolidated Financial Statements for the fiscal year ended December 31, 2009;

the dividend paid to shareholders;

the compensation paid to the Company's directors; and

the compensation arrangement with the Company's independent auditor.

By Order of the Board

MICHAEL FEDERMANN

Chairman of the Board of Directors

JOSEPH ACKERMAN

President and Chief Executive Officer

Date: October 12, 2010

¶

ELBIT SYSTEMS LTD.

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

FOR THE SHAREHOLDERS ANNUAL GENERAL MEETING

TO BE HELD ON NOVEMBER 18, 2010

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned hereby appoints MICHAEL FEDERMANN, JOSEPH ACKERMAN and RONIT ZMIRI, and each of them, the true and lawful proxies of the undersigned, with full power of substitution, to vote with respect to all of the undersigned's ordinary shares of ELBIT SYSTEMS LTD. (the Company), at the Shareholders Annual General Meeting of the Company to be held at the Company's offices at the Advanced Technology Center, Haifa, Israel on Thursday, November 18, 2010, at 10:00 a.m. local time, and at any adjournments, with all power that the undersigned would have if personally present and especially (but without limitation) to vote as follows:

The shares represented by this Proxy will be voted in the manner directed, and if no instructions to the contrary are indicated, will be voted FOR all Proposals listed on the reverse side.

(CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE)

¶

14475 ¶

**ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
ELBIT SYSTEMS LTD.**

November 18, 2010

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, Proxy Statement, Proxy Card
are available at www.elbitsystems.com

Please sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

— Please detach along perforated line and mail in the envelope provided. —

□ 20730203000000000000 5

111810

ANY PROXIES PREVIOUSLY GIVEN ARE HEREBY REVOKED. THE UNDERSIGNED HEREBY ACKNOWLEDGE(S) RECEIPT OF THE NOTICE OF SHAREHOLDER S ANNUAL GENERAL MEETING AND ACCOMPANYING PROXY STATEMENT. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

1. Re-Election of Directors:	2. ELECTION OF MRS. DALIA RABIN AS AN EXTERNAL DIRECTOR	FOR AGAINST ABSTAIN
	
NOMINEES:		
.. FOR ALL NOMINEES	; Moshe Arad	YES NO
.. WITHHOLD AUTHORITY FOR ALL NOMINEES	; Avraham Asheri
FOR ALL EXCEPT	; Rina Baum	

Please indicate if you are a controlling shareholder of the Company or acting on a controlling shareholders behalf. (Please note: if you do not mark either Yes or No, your shares will not be voted for Item 2).

Edgar Filing: ELBIT SYSTEMS LTD - Form 6-K

.. (See instructions below)

¡ David Federmann

3.	RE-APPOINTMENT OF THE COMPANY S INDEPENDENT AUDITOR FOR THE FISCAL YEAR 2010 AND UNTIL THE CLOSE OF THE NEXT SHAREHOLDERS ANNUAL GENERAL MEETING	FOR AGAINST ABSTAIN
	

¡ Michael Federmann

¡ Yigal Ne eman

¡ Dov Ninveh

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here: 1

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via .. this method.

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