LITTELFUSE INC /DE
Form DEF 14A
March 13, 2015

United States

Securities and Exchange Commission

Washington, D.C. 20549

Schedule 14A

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

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]

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))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Section 240.14a-12

Littelfuse, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

[X] No fee required.

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1) Title of each class of securities to which transaction applies:
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1) Amount Previously Paid:
2) Form, Schedule or Registration Statement No.:
3) Filing Party:
4) Date Filed:

Littelfuse, Inc.

O'Hare Plaza

8755 West Higgins Road, Suite 500

Chicago, Illinois 60631

Notice of Annual Meeting of Stockholders

APRIL 24, 2015

The 2015 annual meeting of the stockholders of Littelfuse, Inc. (the "Company") will be held at the Chicago Marriott O'Hare, 8535 West Higgins Road, Chicago, Illinois 60631, on Friday, April 24, 2015 at 9:00 a.m., local time, for the following purposes as described in the attached Proxy Statement:

1. To elect seven directors to serve a term of one year and until their successors are elected and qualified

2. To approve and ratify the appointment by the Audit Committee of the Board of Directors of the Company of Grant Thornton LLP as the Company's independent auditors for the fiscal year of the Company ending January 2, 2016

3. To re-approve the performance goals in the Littelfuse, Inc. Long-Term Incentive Plan

4. To conduct an advisory (non-binding) vote on the compensation of our named executive officers ("NEOs") and

5. To transact such other business as may properly come before the annual meeting or any postponement or adjournment thereof.

Stockholders of record of the Company at the close of business on February 26, 2015 will be entitled to vote at the meeting.

Mary S. Muchoney

Secretary

March 13, 2015

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on April 24, 2015:

Whether or not you plan to attend the annual meeting, your vote is important. Please read the attached Proxy Statement and promptly complete, execute and return the enclosed proxy in the accompanying postage-paid envelope. If you attend the annual meeting, you may revoke your proxy and vote in person if you so desire.

The Proxy Statement and the 2014 Annual Report to Stockholders of Littelfuse, Inc., including the Annual Report on Form 10-K for the fiscal year ended December 27, 2014, are available at www.proxyvote.com.

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Proxy Statement

For

Annual Meeting Of Stockholders

To Be Held On

APRIL 24, 2015

We are furnishing this Proxy Statement to the stockholders of Littelfuse, Inc. in connection with the solicitation by the Board of Directors of Littelfuse, Inc. (the “Board”) of proxies to be voted at our annual meeting of stockholders to be held on April 24, 2015. The annual meeting will be held at the Chicago Marriott O’Hare, 8535 West Higgins Road, Chicago, Illinois 60631, at 9:00 a.m., local time, and at any postponements or adjournments of that meeting.

When used in this Proxy Statement, the terms “we,” “us,” “our,” “the Company” and “Littelfuse” refer to Littelfuse, Inc.

Any stockholder giving a proxy will have the right to revoke it at any time prior to the time it is voted. A proxy may be revoked by written notice to us sent to the attention of our Corporate Secretary at O’Hare Plaza, 8755 West Higgins Road, Suite 500, Chicago, Illinois 60631, execution of a subsequent proxy, voting on the Internet or by telephone or attendance at the annual meeting and voting in person. Mere attendance at the annual meeting will not automatically revoke the proxy. All shares represented by effective proxies will be voted at the annual meeting or at any postponements or adjournment thereof.

We will bear the cost of soliciting proxies. Copies of solicitation materials will be furnished to brokerage firms, fiduciaries and custodians holding shares in their names that are beneficially owned by others to forward to such beneficial owners. The Company may reimburse such persons for the costs they incur to forward the solicitation material to such beneficial owners. In addition to solicitation by mail, our officers and employees may solicit proxies by telephone or in person.

Under Securities and Exchange Commission rules, this Proxy Statement, our 2014 Annual Report to Stockholders, including our Annual Report on Form 10-K for the fiscal year ended December 27, 2014, and other proxy materials are available online at www.proxyvote.com. We encourage you to access and review all of the important information in the proxy materials before voting. The Notice of Internet Availability of Proxy Materials is first being mailed to stockholders on or about March 13, 2015.

The Board of Directors recommends a vote FOR ALL the nominees for director named in Proposal No. 1, a vote FOR the approval and ratification of the appointment of Grant Thornton LLP as independent auditors as discussed in Proposal No. 2, a vote FOR the re-approval of the performance goals in the Littelfuse, Inc. Long-Term Incentive Plan in Proposal No. 3 and a vote FOR the approval of the compensation of our NEOs as discussed in Proposal No. 4.

Forward-Looking Information

Statements in this Proxy Statement not based on historical facts are considered “forward looking” and, accordingly, may involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions and financial performance. These statements are intended to constitute “forward-looking” statements in connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. We are providing this cautionary statement to disclose that there are important factors that could cause actual results to differ materially from those anticipated. See our Annual Report on Form 10-K for the year ended December 27, 2014 (the “2014 Annual Report on Form 10-K”) filed with the Securities and Exchange Commission (the “SEC”) for a list of such factors in Item 1A. “Risk Factors.”

Voting

Record Date; Stock Outstanding and Entitled to Vote; Voting of Proxies

Stockholders of record on the books of the Company at the close of business on February 26, 2015, the record date for the annual meeting, will be entitled to notice of and to vote at the meeting. On February 26, 2015, we had outstanding 22,759,523 shares of our common stock, par value $.01 per share. Each outstanding share of common stock entitles the holder to one vote per share on each matter submitted to a vote at the meeting.

A list of the stockholders entitled to vote at the meeting will be available for examination by any stockholder for any purpose germane to our annual meeting during ordinary business hours for a period of at least ten days prior to the meeting at our headquarters located at O'Hare Plaza, 8755 West Higgins Road, Suite 500, Chicago, Illinois 60631 and at Wells Fargo Bank, N.A., our transfer agent, at 161 North Concord Exchange South, St. Paul, Minnesota 55075.

The shares represented by proxies will be voted as directed in the proxies. In the absence of specific direction, the shares represented by proxies will be voted FOR ALL of the nominees for director, FOR the approval and ratification of the appointment of Grant Thornton LLP as independent auditors, FOR the re-approval of the of the performance goals in the Littelfuse, Inc. Long-Term Incentive Plan and FOR the approval of the compensation of our NEOs. In the event any nominee for director is unable to serve, which is not now contemplated, the shares represented by proxies may be voted for a substitute nominated by the Board. If any matters are to be presented at the annual meeting other than the matters referred to in this Proxy Statement, the shares represented by proxies will be voted at the discretion of the named proxies.

Quorum and Abstentions; Broker Non-Votes

A quorum of stockholders is required for the transaction of business at our annual meeting. Our bylaws provide that a majority of all of the shares of common stock entitled to vote, whether present in person or represented by proxy, constitutes a quorum for the transaction of business at the meeting. Votes for and against, abstentions and "broker non-votes" will each be counted as present for purposes of determining the presence of a quorum. A "broker non-vote" occurs when a broker has not received voting instructions from you on a "non-routine" matter, in which case the broker does not have authority to vote your shares with respect to such matter. Unless you provide voting instructions to a broker holding shares on your behalf, your broker may not use discretionary authority to vote your shares on any of the matters to be considered at our annual meeting other than the ratification of our independent auditors. To determine whether a specific proposal has received sufficient votes to be passed, for shares deemed present, an abstention will have the same effect as a vote "against" the proposal, while a broker non-vote will not be included in vote totals and will have no effect on the outcome of the vote.

Required Vote

Assuming that a quorum is present, our stockholders may take action at our annual meeting with the votes described below.

Election of Directors. Except in the event of a contested election, each director to be elected by shareholders shall be elected by the vote of the majority of the votes cast at a meeting for the election of directors at which a quorum is present. A "majority of the votes cast" means that the number of votes cast "for" a director's election exceeds the number of votes "withheld" or cast "against." Votes cast exclude abstentions and any "broker non-votes" with respect to that director's election. In the event of a contested election, directors shall be elected by the vote of a plurality of the votes cast at a meeting for the election of directors at which a quorum is present.

In addition, our Corporate Governance Guidelines include a resignation policy, which provides, among other things, that if a nominee for our Board of Directors does not receive a majority of the votes cast:

- such nominee must tender his or her resignation within ten business days;
- the Corporate Governance and Nominating Committee of the Board of Directors must recommend to our Board of Directors whether such resignation should be accepted or rejected; and

- our Board of Directors must take final action no later than 90 days after the shareholder vote.

Ratification of the Appointment of Grant Thornton LLP as our Independent Auditors. The affirmative vote by the holders of a majority of the shares present (whether in person or by proxy) at the meeting will be required for the ratification of Grant Thornton LLP as independent auditors.

Re-Approval of the Performance Goals in the Littlefuse, Inc. Long-Term Incentive Plan. The affirmative vote by the holders of a majority of the shares present (whether in person or by proxy) at the meeting will be required for the re-approval of the performance goals in the Littelfuse, Inc. Long-Term Incentive Plan.

Advisory (Non-Binding) Vote on the Compensation of our Named Executive Officers. With respect to approval of the compensation of our NEOs, the affirmative vote by the holders of a majority of the shares present (whether in person or by proxy) at the meeting will be required to approve the proposal. The stockholder vote with respect to approval of the compensation of our NEOs is advisory in nature and will not be binding on the Company. However, our Board and our Compensation Committee value the opinions of our stockholders and will consider the outcomes of the advisory vote when making future decisions regarding executive compensation.

Ownership Of Littelfuse, Inc. Common Stock

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of February 26, 2015, by each person known by us to be the beneficial owner of more than 5% of our outstanding common stock, by each director, by each executive officer named in the Summary Compensation Table and by all of our directors and executive officers as a group. Information concerning persons known to us to be beneficial owners of more than 5% of our common stock is based upon the most recently available reports furnished by such persons on Schedule 13G as filed with the SEC. Of the shares reported, none are subject to pledge or lien in a margin account or pursuant to a loan agreement.

	Number of Shares of Common Stock Beneficially Owned(a)		
	Shares	**Percent**	
BlackRock, Inc. (b) 40 East 52nd Street New York, New York 10022	1,921,669	8.4	%
The Vanguard Group, Inc. (c) 100 Vanguard Boulevard Malvern, Pennsylvania 19355	1,482,223	6.5	%
T. J. Chung (d)	24,596	*	
Cary T. Fu (e)	3,302	*	
Anthony Grillo (f)	82,996	*	
John E. Major (g)	32,154	*	
William P. Noglows (h)	26,997	*	
Ronald L. Schubel (i)	37,894	*	
Michael P. Rutz (j)	5,332	*	
Philip G. Franklin (k)	52,756	*	
David W. Heinzmann (l)	60,183	*	
Gordon Hunter (m)	80,990	*	
Ryan K. Stafford (n)	45,092	*	
All current directors and executive officers as a group (17 persons)	557,305	2.4	%

*Indicates ownership of less than 1% of common stock.

(a) Except as indicated in the footnotes to the table, the number of shares of common stock beneficially owned and percentage ownership are based on our outstanding common stock as of February 26, 2015, adjusted as required by rules promulgated by the SEC. Beneficial ownership is determined in accordance with the rules of the SEC and includes sole or shared voting or investment power with respect to such shares. All outstanding stock options and restricted stock units exercisable for or convertible into our common stock either currently or within 60 days after February 26, 2015 are deemed to be outstanding and to be beneficially owned by the person holding such securities for the purpose of computing the number of shares of common stock beneficially owned and the percentage ownership of that person, but are not deemed to be outstanding and to be beneficially owned for the purpose of computing the percentage ownership of any other person. Except as indicated in the footnotes to the table, based on information provided by the persons named in the table, such persons have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

(b) As reported in an amendment to its Schedule 13G filed with the SEC on January 22, 2015, 1,921,669 shares represent the total number of shares beneficially owned by BlackRock, Inc. (“BlackRock”) as of December 31, 2014. BlackRock has sole voting power as to 1,871,337 shares and sole dispositive power as to all of the shares. The Schedule 13G indicates various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the shares; however, no one person’s interest in the shares is more than five percent (5%) of the total shares.

(c) As reported in its Schedule 13G filed with the SEC on February 10, 2015, 1,482,223 shares represent the total number of shares beneficially owned by The Vanguard Group, Inc. (“Vanguard”), a registered investment adviser, as of December 31, 2014. Vanguard has sole voting power as to 30,352 shares and shared dispositive power as to 28,652 shares, which are held by Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd., Vanguard’s wholly-owned subsidiaries, and sole dispositive power as to 1,453,571 shares.

(d) Includes 6,729 stock options granted under the Long-Term Plan (as defined below) which are currently exercisable or within 60 days of February 26, 2015.

(e) Includes 1,594 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(f) Includes 13,942 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(g) Includes 6,729 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(h) Includes 10,942 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(i) Includes 12,942 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(j) Includes 2,417 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(k) Includes 30,650 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(l) Includes 35,590 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(m) Includes 39,840 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

(n) Includes 24,734 stock options granted under the Long-Term Plan which are currently exercisable or within 60 days of February 26, 2015.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) requires our executive officers, directors and holders of more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Based solely on our review of the copies of these reports and on information provided by the reporting persons, we believe that during the fiscal year ended December 27, 2014 our directors, executive officers and owners of more than 10% of our common stock complied with all applicable filing requirements.

Proposal No. 1

Election Of Directors

The Board currently consists of seven members. All of our current directors are standing for re-election. We are asking our stockholders to elect seven directors at the annual meeting to serve a term of one year and until their successors have been elected and qualified. The nominees for director, all of whom are now serving as directors, are listed below together with certain biographical information as of March 13, 2015.

The Board of Directors recommends that the stockholders vote FOR ALL of the nominees listed below as directors.

Tzau-Jin (T. J.) Chung, age 52, has been a director of Littelfuse since July 2007. Mr. Chung is President and CEO of Navman Wireless, a market leader in fleet management solutions and GPS technologies. Mr. Chung assumed his position in early 2007 upon the acquisition of Navman Wireless from the New Technologies Division of Brunswick Corporation. Previously, Mr. Chung served as President of the New Technologies Division of Brunswick Corporation from 2002 to 2007. Prior to that, he served as Vice President — Strategy of Brunswick Corporation, where he was responsible for corporate-wide strategic planning, mergers and acquisitions and information technology. Mr. Chung earned his bachelor’s degree in science, electrical and computer engineering from the University of Texas — Austin. He also holds a Master of Science degree in computer science from North Carolina State University and a Master of Business Administration degree from the Fuqua School of Business at Duke University. Mr. Chung has been determined by the Board to be “independent” under the listing standards of the Nasdaq Global Select Market (“NASDAQ”). In nominating Mr. Chung for election as a director, our Board focused on his past experience in developing new products and his experience with operations in Asia as important attributes for his continuing to serve as one of our directors. Mr. Chung serves on the Technology and the Nominating and Governance Committees and is the Chairman of the Compensation Committee.

Cary T. Fu, age 66, has been a director of the Company since July 2012. Mr. Fu is the co-founder of Benchmark Electronics, Inc. (“Benchmark Electronics”) and was a director of Benchmark Electronics from 1990 through 2012 and Chairman of the Board from May 2009 until December 2012. He served as Chief Executive Officer of Benchmark Electronics from September 2004 to December 2011, President and Chief Executive Officer of Benchmark Electronics from September 2004 to December 2006, President and Chief Operating Officer of Benchmark Electronics from May 2001 to September 2004, Executive Vice President from 1990 to May 2001 and Executive Vice President — Financial Administration from 1990 to April 1992. He also served Benchmark Electronics as Treasurer from 1986 to January 1996, Secretary from 1990 to January 1996 and from 1986 to 1988 and Assistant Secretary from 1988 to 1990. In addition, Mr. Fu also served as a director of Benchmark Electronics from 1986 to 1988. From 1983 to 1986, Mr. Fu was employed by Intermedics as Controller of Benchmark Electronics and another subsidiary of Intermedics. Mr. Fu holds an M.S. degree in accounting from the University of Houston and is a Certified Public

Accountant. Mr. Fu also serves on the board of directors of Teradata Corporation. Mr. Fu has been determined by the Board to be “independent” under NASDAQ listing standards. In nominating Mr. Fu for election as a director, our Board focused on his past experience in the industry and unparalleled management experience. Mr. Fu serves on the Technology Committee and is Chairman of the Audit Committee.

Anthony Grillo, age 59, has been a director of Littelfuse since December 1991. Mr. Grillo is the founder of American Securities Advisors, LLC, an advisory and investment firm established in 2005. From 2001 through 2004, Mr. Grillo was a Senior Managing Director of Evercore Partners, Inc., an investment banking boutique providing advisory services to multinational corporations on significant mergers, acquisitions, divestitures, restructurings and other strategic corporate transactions, where he founded the restructuring practice for the firm. From 1999 through 2001, Mr. Grillo was a Senior Managing Director of Joseph Littlejohn & Levy, Inc., a private equity firm. From 1991 through 1999, Mr. Grillo was a Senior Managing Director of the Blackstone Group L.P., an investment banking firm. During those years, Mr. Grillo was the co-founder of Blackstone’s Restructuring and Reorganization Group, Chief Operating Officer of the firm’s mergers and acquisitions practice and a member of its Investment Committee. Mr. Grillo served as Chairman of the Board of Silicon Graphics, Inc. and as the Chairman of its Compensation Committee. Mr. Grillo has been determined by the Board to be “independent” under NASDAQ listing standards. In nominating Mr. Grillo for election as a director, our Board focused on his past experience in the financial markets, his experience with corporate acquisitions, his value as an audit committee financial expert and the knowledge of the Company that he has gained and shared from serving as a director since 1991 as important attributes for his continuing to serve as one of our directors. Mr. Grillo serves on the Audit Committee.

Gordon Hunter, age 63, has been a director of Littelfuse since June 2002 and became our Chairman of the Board, President and Chief Executive Officer in January 2005. Mr. Hunter became our Chief Operating Officer in November 2003. Prior to joining Littelfuse, Mr. Hunter was Vice President, Intel Communications Group, and General Manager, Optical Products Group. Mr. Hunter was responsible for managing Intel's access and optical communications business segments within the Intel Communications Group. Prior to joining Intel in February 2002, he served as President of Elo TouchSystems, a subsidiary of Raychem Corporation. Mr. Hunter also served in a variety of positions during a 20-year career at Raychem Corporation, including Vice President of Commercial Electronics and a variety of sales, marketing, engineering and management positions. Mr. Hunter currently serves on the Council of Advisors of Shure Incorporated, the Board of Directors of Veeco Instruments, Inc., where he serves on the Compensation Committee and the Strategic Planning Committee, and the Board of Directors of CTS Corporation. Mr. Hunter holds a BS in electrical engineering from the University of Liverpool, England, and an MBA from London Business School. In nominating Mr. Hunter for election as a director, our Board focused on his leadership, vision and execution as our Chief Executive Officer in growing and reshaping the Company and setting and communicating the proper cultural and behavioral tone as important attributes for his continuing to serve as one of our directors. Mr. Hunter is the Chairman of the Technology Committee.

John E. Major, age 69, has been a director of Littelfuse since December 1991. Mr. Major has been President of MTSG, a strategic consulting and investments company, since January 2003. From April 2004 to October 2006, Mr. Major served as Chief Executive Officer of Apacheta Corporation, a mobile wireless software company whose products are used to manage retail inventory, service and deliveries. From August 2000 through January 2003, he was Chairman and Chief Executive Officer of Novatel Wireless Inc., a wireless data access solutions company. Previously, Mr. Major was Chairman and Chief Executive Officer of Wireless Knowledge, a QUALCOMM and Microsoft joint venture that developed a unique solution to allow all Internet-enabled devices, including cell phones, to access critical corporate information such as email, contacts and calendar entries in a convenient and secure manner. Prior to joining Wireless Knowledge, Mr. Major served as Corporate Executive Vice President of QUALCOMM, Inc. and President of its Wireless Infrastructure Division, where he managed the high growth rate and global expansion of the company's infrastructure business. Under his leadership, the division achieved a leading position in open interface, wireless systems and developed a new line of extremely compact base stations. Prior to that, for approximately 18 years, Mr. Major held various executive and leadership positions at Motorola, Inc., the most recent of which was Senior Vice President and Chief Technology Officer, where he directed a broad range of research initiatives and led Motorola's efforts to develop world class excellence in software.

Mr. Major received a B.S. in Mechanical and Aerospace Engineering from the University of Rochester, an M.S. in Mechanical Engineering from the University of Illinois, an M.B.A. from Northwestern University and a J.D. from Loyola University. Mr. Major holds eleven U.S. patents.

Mr. Major is the past chairman of the Telecommunications Industry Association (TIA) and the Electronic Industries Association (EIA). He served on the University of California President's Board on Science and Innovation. He serves on the Dean's Advisory Committee of the University of Rochester Hajim School of Engineering and Applied Science and as Chairman of the University of Illinois at Chicago Engineering School Advisory Board. Mr. Major serves as Chairman Emeritus of the Board of CommNexus, a nonprofit telecom industry group and as Chairman of the Board of the La Jolla Institute for Allergy and Immunology.

Mr. Major's distinguished career and successes in a range of areas, including his senior management leadership at both large and startup technology companies, as well as his drive for innovation, as evidenced by his achievements at Wireless Knowledge, Qualcomm and Motorola, make Mr. Major a valuable contributor to our Board of Directors. Mr. Major also brings considerable directorial, financial and governance experience to the Board, currently serving on the boards of directors and several board committees of Lennox International, Inc., Broadcom Corporation, Pulse Electronics, Resonance and ORBCOMM Inc.

Mr. Major has been determined by the Board to be “independent” under NASDAQ listing standards. In nominating Mr. Major for election as a director, our Board focused on his seasoned experience from having served as an executive officer and on the boards and board committees of varied technology companies, his vision and expertise in matters of corporate governance, his expertise in technical development and the knowledge of the Company that he has gained and shared as a director since 1991 as important attributes for his continuing to serve as one of our directors. Mr. Major serves on the Audit and Technology Committees and is the Chairman of the Nominating and Governance Committee.

William P. Noglows, age 57, has been a director of Littelfuse since February 2007. Mr. Noglows is the current Executive Chairman, and former Chairman, President and Chief Executive Officer of Cabot Microelectronics Corporation (NASDAQ:CCMP), a leading worldwide supplier of consumable products used in the semiconductor manufacturing process. Mr. Noglows became Executive Chairman at Cabot Microelectronics Corporation in 2015, and Chairman, President and Chief Executive Officer in 2003. Prior to that, he was an Executive Vice President and General Manager at Cabot Corporation. He received a bachelor’s degree in chemical engineering from the Georgia Institute of Technology. Mr. Noglows has been determined by the Board to be “independent” under NASDAQ listing standards. Mr. Noglows also serves on the Board of Directors of Aspen Aerogels, Inc. (ASPN) and is the Chairman of its Compensation Committee. In nominating Mr. Noglows for election as a director, our Board focused on his experience as chief executive officer of a leading public company and his expertise in developing technology as important attributes for his continuing to serve as one of our directors. Mr. Noglows serves on the Compensation and Nominating and Governance Committees and is the independent Lead Director.

Ronald L. Schubel, age 71, has been a director of Littelfuse since June 2002. In October 2007, Mr. Schubel retired as Corporate Executive Vice President and President of the Americas Region for Molex Incorporated, a global manufacturer of interconnect systems. He began his career with Molex in 1981, spending five years in Singapore as President of the Far East South Region. Prior to joining Molex, Mr. Schubel worked for General Motors for 15 years. His last position with General Motors was Director of Operations for the Packard Electric Division. In addition, Mr. Schubel serves as the Chairman of the Board of Trustees for the Edward-Elmhurst Health Service Corporation, a nonprofit corporation. In addition he serves on the board of the Edward Cayman Corporation for investment and insurance support of Edward-Elmhurst and its affiliate of the EHSC Cayman Segregated Portfolio Company, which is the insurance company of EHSC. Further, Mr. Schubel is an advisor for Oaktree Capital working with the board of directors of Isola Group Ltd. Mr. Schubel has been determined by the Board to be “independent” under NASDAQ listing standards. In nominating Mr. Schubel for election as a director, our Board focused on his knowledge of managing manufacturing operations and his experience with operations in Asia as important attributes for his continuing to serve as one of our directors. Mr. Schubel serves on the Compensation and Technology Committees.

Information Concerning The Board Of Directors And Its Committees

Compensation of Directors.

For the 2014 fiscal year, directors who are not our employees are paid an annual retainer of $65,000, plus reimbursement of reasonable expenses relating to attendance at meetings. Directors are not paid any additional fees for attendance at meetings. In addition, our Lead Director is paid an additional annual retainer of $15,000, the Chairperson of the Audit Committee is paid an additional annual retainer of $18,000, the Chairperson of the Compensation Committee is paid an additional annual retainer of $15,000, the Chairperson of the Nominating and Governance Committee is paid an additional annual retainer of $7,500, and the Chairperson of the Technology Committee is paid an additional annual retainer of $5,000. No additional fees are paid to directors who are also our full-time employees.

In addition to cash compensation, each non-employee director receives a grant of equity under the Littelfuse, Inc. Long-Term Incentive Plan (the “Long-Term Plan”) comprised of one-third options and two-thirds restricted stock units (“RSUs”) upon his or her election or reelection to the Board at the Company’s Annual Meeting of Stockholders. The value of the annual grant of equity is equal to $95,000, based on a valuation performed by the Compensation Committee’s independent consultant. The stock options vest ratably over three years, have an exercise price equal to the fair market value of our common stock on the date of grant, and have a seven-year term. The RSUs vest ratably over three years and entitle the director to receive one share of common stock per unit upon vesting. On April 25, 2014, Messrs. Chung, Grillo, Fu, Major, Noglows and Schubel were each granted 1,350 options to purchase shares of common stock and 774 RSUs.

Non-employee directors may elect to defer receipt of their cash fees under the Littelfuse Deferred Compensation Plan for Non-employee Directors (the “Directors Plan”) and defer payout of their equity grants and any dividend distributions under the Long-Term Plan. All deferrals are deposited with a third-party trustee, where they (and any distributions thereon) are invested in Littelfuse common stock. Deferred cash fees are generally paid in a lump sum or installments when the director ceases to be a director of Littelfuse. Deferred equity grants are generally paid out when the director ceases to be a director or the date specified by the director at the time of his or her deferral election. Deferred payments owing to Gordon Hunter as a result of his prior service as a non-employee director are expected to be delayed an additional six months following his separation from service as both a director and employee of Littelfuse as required by law due to his status as a "specified employee" under Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”).

The following table sets forth compensation paid to all persons who were non-employee directors at any time during 2014:

2014 Director Compensation Table

Name		Fees Earned or Paid in Cash ($)	Stock Awards ($) (b)	Option Awards ($) (c)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
T. J. Chung		$80,000	$72,059	$35,438	-	-	-	$187,497
Cary T. Fu		$74,000	$72,059	$35,438	-	-	-	$181,497
Anthony Grillo	(a)	$74,000	$72,059	$35,438	-	-	-	$181,497
John E. Major		$72,500	$72,059	$35,438	-	-	-	$179,997
William P. Noglows	(a)	$80,000	$72,059	$35,438	-	-	-	$187,497
Ronald L. Schubel		$65,000	$72,059	$35,438	-	-	-	$172,497

(a) Fees earned by these directors include amounts deferred under the Directors Plan.

(b) The amounts in this column reflect the full grant date fair value for the fiscal year ended December 27, 2014, in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, of restricted stock unit awards under the Long-Term Plan. Assumptions used in the calculation of these amounts are described in Note 13 to our audited financial statements included in our 2014 Annual Report on Form 10-K. The full grant date fair value of each restricted stock unit awarded in 2014, determined in accordance with FASB ASC Topic 718, without regard to when the award was recognized for financial reporting purposes, is equal to $93.10. As of December 27, 2014, the aggregate numbers of RSUs outstanding (including RSUs that have been deferred under the Long-Term Plan) were: Mr. Chung, 9,035 shares; Mr. Fu, 1,396 shares; Mr. Grillo, 3,183 shares; Mr. Major, 3,183 shares; Mr. Noglows, 2,039 shares; and Mr. Schubel, 3,183 shares.

(c) The amounts in these columns reflect the full grant date fair value for the fiscal year ended December 27, 2014, in accordance with FASB ASC Topic 718 of option awards under the Long- Term Plan. Assumptions used in the calculation of these amounts are described in Note 13 to our audited financial statements included in our 2014 Annual Report on Form 10-K. The full grant date fair value of each option awarded in 2014, determined in accordance with FASB ASC Topic 718, without regard to when the award was recognized for financial reporting purposes, is equal to $26.25. As of December 27, 2014, the aggregate numbers of shares underlying option awards outstanding were: Mr. Chung, 8,201 shares; Mr. Fu, 3,066 shares; Mr. Grillo, 25,829 shares; Mr. Major, 8,201 shares; Mr. Noglows, 14,829 shares; and Mr. Schubel, 17,829 shares.

Stock Ownership Policy.

In February 2011, the Board adopted a stock ownership policy that requires our executive officers and directors to hold and maintain a certain number of shares of common stock of the Company. Each non-employee director is required to hold a number of shares equal to five times (5x) the amount of his annual cash retainer. All new directors have five years from the date of election or appointment to satisfy their required stock ownership level. Until such time as a director achieves the required stock ownership level, the director is required to retain 50% of the shares of common stock realized from any equity awards granted by the Company. In the case of stock options, such shares are limited to “net shares” that remain after shares are sold or withheld to pay the exercise price of stock options, if applicable. Failure of a director to satisfy the applicable stock ownership level within the required compliance period may result in the director being ineligible to receive his annual equity award or being subject to a 100% retention requirement. All of our directors are in compliance with the guidelines and requirements set forth in our stock ownership policy except for Mr. Fu, who has been a director of the Company since July 2012 and who has until July 2017 to meet his holding requirement.

Attendance at Meetings.

The Board held seven meetings during fiscal year 2014. All of the directors attended 100% of the meetings of the Board and the committees on which they served. Consistent with our policy, all of our directors attended our 2014 annual meeting of stockholders.

Independent members of our Board regularly meet in executive session without management present. Stockholders wishing to communicate directly with the Board or individual directors should communicate in writing to our Corporate Secretary at our principal executive offices. Our Corporate Secretary will in turn promptly forward such communication to the directors.

Board Leadership Structure and Role in Risk Oversight.

Our Chief Executive Officer, Gordon Hunter, also serves as the Chairman of the Board. Additionally, William Noglows serves as the independent Lead Director. Among other things, the Lead Director convenes and chairs regular and special executive sessions of the independent directors and serves as liaison between the independent directors and our CEO and Chairman of the Board. We believe that our leadership structure allows the Board to have better control of the direction of management, while still retaining independent oversight. In understanding our structure, it is important to remember that Mr. Hunter served as a director of Littelfuse before serving as an executive officer.

The Board's role in our risk oversight process includes receiving regular reports from members of management on areas of material risk to the Company, including operational, financial, legal, regulatory, compensation and strategic risks. The full Board or the appropriate committee receives these reports from management to enable it to understand our risk identification, risk management and risk mitigation strategies. When a committee receives the report, the chairman of the relevant committee reports on the discussion to the full Board during the committee reports portion of the next Board meeting. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. In addition, the full Board and each committee of the Board conducts an annual self-assessment based on feedback received from the individual members of the Board and each committee.

We reviewed our compensation policies and practices to assess whether such policies and practices as they relate to the Company's employees were reasonably likely to have a material adverse effect on the Company. This assessment was made by the Executive Vice President, Chief Legal and Human Resources Officer and senior members of the Company's human resources department in consultation with outside counsel. Where appropriate, the Executive Vice President, Chief Legal and Human Resources Officer and the senior members of the Company's human resources department sought input from the Compensation Committee's compensation consultant, the Company's accounting and financial staff, and other senior management. We concluded that any risks arising from our policies and programs are not reasonably likely to have a material adverse effect on the Company. Our programs reflect sound risk management practices, including:

Use of a variety of compensation vehicles that provide a balance of long- and short-term incentives with fixed and variable components;

Our annual incentive program awards are capped to limit windfalls;

The Compensation Committee has the ability to apply negative discretion over annual incentive program payouts;

Our equity incentive awards vest over several years, so while the potential compensation payable for equity incentive awards is tied directly to appreciation of our stock price, taking excessive risk for a short-term gain is discouraged because it would not maximize the value of equity incentive awards over the long term; and

Our executive officers and directors are subject to a stock ownership policy that requires our executive officers and directors to hold and maintain a certain number of shares of common stock of the Company.

Board Committees

We have four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Governance Committee and the Technology Committee. Each of these committees has a written charter approved by our Board.

Director	**Audit Committee**	**Compensation Committee**	**Nominating and Governance Committee**	**Technology Committee**
T. J. Chung		Chairman	X	X
Cary T. Fu	Chairman			X

Anthony Grillo	X			
Gordon Hunter				Chairman
John E. Major	X		Chairman	X
William P. Noglows		X	X	
Ronald L. Schubel		X		X

Audit Committee.

The Audit Committee of the Board (the “Audit Committee”) is responsible for, among other things, the appointment, compensation, retention and oversight of the work of the independent registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. It is also the responsibility of the Audit Committee to (1) review the adequacy and effectiveness of the accounting and financial controls and procedures of the Company and (2) review transactions posing a potential conflict of interest between us and our directors, officers and affiliates. A copy of the Audit Committee Charter is available on our website at *www.littelfuse.com*. The Audit Committee met seven times in 2014. Members of the Audit Committee are Cary T. Fu, (Chairman), John E. Major and Anthony Grillo each of whom has been deemed by the Board to be “independent” and to meet the enhanced requirements for audit committee members under the NASDAQ rules and listing standards and the rules and regulations of the SEC. The Board has determined that Messrs. Fu and Grillo are “audit committee financial experts” as defined by the SEC based on Mr. Fu’s prior experience as a certified public accountant, and Mr. Grillo’s experience as a certified public accountant, an investment banker and a private equity investor.

Compensation Committee.

The charter for the Compensation Committee of the Board (the "Compensation Committee") is posted on our website at *www.littelfuse.com*. The Compensation Committee is charged in the charter with the authority to, among other things, review our compensation practices and policies, review and recommend to the Board for its consideration and determination the compensation for the directors, Chief Executive Officer and the other executive officers, evaluate Chief Executive Officer performance, and annually review and report on our compensation discussion and analysis and recommend its inclusion in our 2014 Annual Report on Form 10-K and Proxy Statement. The Compensation Committee held five meetings in 2014. The members of the Compensation Committee are T.J. Chung(Chairman), William P. Noglows and Ronald L. Schubel, each of whom has been deemed by the Board to be independent under NASDAQ listing standards. See the "Compensation Committee Report" below.

Processes and Procedures.

The Compensation Committee focuses on good governance practices and procedures in its operation. In 2014, this included:

- Considering compensation for the NEOs in the context of all of the components of total compensation;
- Reviewing prior compensation for the NEOs, including all components of total compensation;
- Conducting executive sessions with Compensation Committee members only;
- Reviewing and approving, on substantially the same terms, the renewal of existing Change of Control Agreements which expired on December 31, 2014; and
- Obtaining professional advice from Compensation Strategies, Inc., an outside compensation consultant engaged directly by the Compensation Committee, that enabled the Compensation Committee to make decisions in the Company's best interests, and having direct access to the outside compensation consultant.

Delegation of Authority.

The Compensation Committee charter does not provide authority to the Compensation Committee to delegate to anyone its role and responsibilities with respect to executive officer compensation. However, pursuant to its charter, the Compensation Committee has the power, in its discretion, to retain at the Company’s expense, such independent counsel and other advisors and experts as it deems necessary or appropriate to carry out the Compensation Committee’s duties.

Independent Compensation Consultant.

The Compensation Committee has the authority under its charter to engage services of outside advisors to assist in carrying out its duties. Under this authority, the Compensation Committee retained Compensation Strategies, Inc. in August 2007 to assist in the structuring of executive compensation for 2008. The Compensation Committee has continued to work with Compensation Strategies, Inc. on executive compensation and nonemployee director compensation matters as requested by the Compensation Committee. During the 2014 fiscal year, Compensation Strategies, Inc. assisted with compiling a comprehensive analysis of market data and analyzing its implications for executive compensation at the Company, as well as various other executive compensation matters such as: (1) reviewing our annual incentive and long-term incentive programs; (2) reviewing the executive compensation philosophy; (3) providing an update on executive compensation trends and pending and enacted legislation relevant to the compensation of our executive officers; (4) providing an update on renewal of change of control agreements; and (5) reviewing the executive and director share ownership guidelines. The Compensation Committee has assessed the independence of Compensation Strategies, Inc. and determined that Compensation Strategies, Inc. did not have any economic interests or other relationships that would conflict with its obligation to provide impartial and objective advice.

A discussion of the role of the Board, management and consultants in determining compensation levels can be found in this Proxy Statement under "Executive Compensation – Compensation Discussion and Analysis."

Nominating and Governance Committee.

It is the responsibility of the Nominating and Governance Committee of the Board (the "Nominating and Governance Committee") to identify individuals qualified to serve on our Board and to recommend those individuals the Board should nominate for election at our annual meeting of stockholders. The Board has adopted a charter for the Nominating and Governance Committee. A copy of that charter is available on our website at *www.littelfuse.com*. The Nominating and Governance Committee met three times during 2014. The Nominating and Governance Committee reviewed the performance of all of the current members of the Board and determined and recommended to the Board that all of the current directors should be nominated for re-election. In making this recommendation, consideration was given to matters such as attendance at meetings, preparation for meetings, input at meetings, interaction with other Board members, and other tangible and intangible benefits their service as directors brought to us. No other candidates were recommended or evaluated. Members of the Nominating and Governance Committee are John E. Major(Chairman), T.J. Chung and William P. Noglows, each of whom has been deemed by the Board to be independent under NASDAQ listing standards.

Director Qualification Standards. The Nominating and Governance Committee, in considering a person for a nominee as a director, takes into consideration such factors as it deems appropriate, including:

Experience as an executive or director of a publicly traded company;

Familiarity with our business and our industry;

Availability to actively participate in meetings of the Board and attend the annual meeting of stockholders;

Knowledge and experience in the preparation or evaluation of financial statements;

Diversity of background, knowledge, skills and experience to create a well-rounded Board;

Satisfaction of the criteria for independence established by the SEC and NASDAQ listing standards, as they may be amended from time to time; and

Ability to interact in a productive manner with the other members of the Board.

The Nominating and Governance Committee will consider nominees for the Board recommended by stockholders, using the same evaluation process as for any other candidate. Recommendations should be submitted to the Corporate Secretary at our principal executive offices or directly to any member of the Nominating and Governance Committee. Any recommendation must include:

The name and address of the candidate;

A brief biographical description, including his or her occupation for at least the last five years, and a statement of the qualifications of the candidate, taking into account the qualification factors set forth above; and

The candidate's signed consent to be named in the Proxy Statement if nominated and to serve as a director if elected.

To be considered by the Nominating and Corporate Governance Committee for nomination and inclusion in our proxy statement for the 2016 Annual Meeting, stockholder recommendations for director must have been received by us no later than November 16, 2015. Each stockholder recommendation must include the name and address of the nominating stockholder and the number of shares owned beneficially and of record by such stockholder.

Technology Committee. It is the responsibility of the Technology Committee of the Board (the "Technology Committee") to review our research and development activities and ensure we maximize the use of appropriate technology throughout the organization. The Board has adopted a charter for the Technology Committee, which is available on our website at *www.littelfuse.com*. The Technology Committee met four times in 2014. Members of the Technology Committee are Gordon Hunter(Chairman), T. J. Chung, Cary T. Fu, John E. Major, and Ronald L. Schubel.

Compensation Committee Interlocks and Insider Participation

T.J. Chung, William P. Noglows and Ronald L. Schubel served on the Compensation Committee during fiscal year 2014. None of our executive officers served as a member of the Compensation Committee, or on a board of directors performing equivalent functions, of any entity that had one or more of its executive officers serving as a director or member of our Compensation Committee.

Executive Compensation

Compensation Discussion And Analysis

The following Compensation Discussion and Analysis, or CD&A, describes our 2014 executive compensation program. This CD&A is intended to be read in conjunction with the tables beginning on page 30, which provide detailed historical compensation information for our following NEOs.

Name	Title
Gordon Hunter	Chairman of the Board, President

	and Chief Executive Officer
Philip G. Franklin	Executive Vice President and Chief Financial Officer
David W. Heinzmann	Chief Operating Officer
Ryan K. Stafford	Executive Vice President, Chief Legal and Human Resources Officer
Michael P. Rutz	Senior Vice President, Global Operations

Effective February 1, 2015, Mr. Franklin was promoted from Senior Vice President and Chief Financial Officer to the Company's Executive Vice President and Chief Financial Officer, and Mr. Stafford was promoted from Senior Vice President, Chief Legal and Human Resources Officer to the Company's Executive Vice President, Chief Legal and Human Resources Officer.

Mr. Rutz was hired on February 10, 2014 as the Company's Vice President of Supply Chain and Operational Excellence. Effective February 1, 2015, Mr. Rutz was promoted to Senior Vice President, Global Operations.

Executive Summary

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, our stockholders are entitled to cast an advisory vote to approve the compensation of our NEOs as disclosed in this Proxy Statement. The stockholder vote with respect to approval of the compensation of our NEOs is advisory in nature and will not be binding on the Company. However, our Board and our Compensation Committee value the opinions of our stockholders and will consider the outcome of the advisory vote when making future compensation decisions regarding the Company's NEOs.

As described below, our executive compensation programs are designed to align the interests of our executives with those of our stockholders, by rewarding performance that meets or exceeds established corporate and individual performance goals. Company performance is based on the achievement of specified financial objectives applicable to each NEO, which include sales, earnings per share and cash from operations, as well as performance measurements of the areas within the scope of authority of the NEO; whereas individual performance is based on each NEO's achievement of specified individual performance objectives.

The compensation of our NEOs during fiscal year 2014 should be viewed in light of our strong shareholder returns. Our compounded annual shareholder return for the five year period ending December 27, 2014 (assuming reinvestment of dividends) was 25.9%, as compared to the compounded annual shareholder return over the same period of 16.1% for the Dow Jones Electrical Components and Equipment Industry Group Index and 15.5% for the Russell 2000 Index.

Our executive compensation program is designed to pay for performance. In fiscal year 2014, our annual incentive award targets for our NEOs were weighted at 80% for targets that were directly performance-based and 20% for targets that were tied to individual goals that promote value to the Company. In addition, a significant portion of our executive compensation program consists of long-term compensation subject to long-term vesting requirements.

The Compensation Committee continually reviews the compensation programs for our NEOs to ensure they achieve the desired goals of aligning our executive compensation structure with our stockholders' interests and current market practices. We believe we have programs that align the compensation of our executives with the interests of our stockholders and manage compensation risk, including stock ownership guidelines, an independent Compensation Committee and the use of an independent compensation consultant.

Pursuant to the SEC's say-on pay rules, our shareholders approved, by the affirmative vote of 96% of the shares present in person or represented by proxy at the meeting and entitled to vote at our 2014 Annual Meeting, the compensation for our NEOs in our 2014 proxy statement. The Compensation Committee takes this approval into account when developing the compensation for our NEOs.

We are asking our stockholders to indicate their support for our NEO compensation as described in this proxy statement under Proposal No. 4, which allows our stockholders the opportunity to express their views on our NEOs' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in the Compensation Discussion and Analysis, the executive compensation tables, and the accompanying narrative as presented in this Proxy Statement.

Total Rewards Philosophy

The Compensation Committee is responsible for guiding and overseeing the formulation and application of the compensation and benefit programs for executive officers. Our Total Rewards Philosophy for executive compensation is designed to drive performance in the form of global business growth and success by fully leveraging our investment in our human capital to create stockholder value. To achieve our goals, we must attract and retain individuals with the appropriate expertise and leadership ability, and we must motivate and reward them to build long-term stockholder value.

The Compensation Committee has worked with our management and the Compensation Committee's compensation consultant to design compensation programs with the following primary objectives:

Attract, retain and motivate highly qualified executives;

Reward executives based upon our financial performance at levels competitive with peer companies; and

Align a significant portion of the executive compensation with driving our performance and stockholder value in the form of performance-based executive incentive awards and long-term awards.

The design of our specific programs is based on the following guiding principles:

Performance

We believe that the best way to accomplish alignment of compensation with the interests of our stockholders is to link a significant portion of total compensation directly to meeting and exceeding individual, business unit and overall Company performance goals. When performance exceeds expectations, total pay levels are expected to be above the competitive median. When performance falls below expectations, total pay levels are expected to be below competitive levels.

Competitiveness

Compensation and benefit programs are designed to be competitive with those provided by companies with whom we compete for talent. While we generally target the 50^{th} percentile of the total compensation programs of competitor companies, in some instances, we provide compensation above or below the 50^{th} percentile to account for other factors such as an executive's operating responsibilities, management level, and tenure and performance in the position, etc. In order to help us analyze the competitiveness of our compensation programs, we developed a reference group which was used to set compensation for the 2014 fiscal year, as discussed in more detail below in "Total Rewards Philosophy – Competitive Analysis." This peer group is updated from time to time and was last updated in October 2013. Our health and welfare benefit programs, perquisites and other benefits are designed to provide competitive levels of protection and financial security but are not based on performance.

Cost

Compensation and benefit programs are designed to be cost effective, ensuring that the interests of our stockholders are considered.

The Annual Compensation Process

The Compensation Committee reviews industry data and performance results presented by its compensation consultant in determining the appropriate aggregate and individual compensation levels for the year. In conducting its review, the Compensation Committee considers quantitative performance results, the overall need of the organization to attract, retain and motivate the executive team, and the total cost of compensation programs. The Compensation Committee also reviews information showing the executive's total target and actual compensation during the year. The amount of compensation already realized or potentially realizable, however, does not determine the level at which future pay opportunities may be set.

The Compensation Committee reviews base salaries starting in the fall, with any changes to be effective February 1 of the following year. This process aligns the timing of annual executive salary adjustments with the timing of adjustments for all other employees. To-date, approval of incentive awards for NEOs under the Littelfuse, Inc. Annual Incentive Plan (the "Annual Incentive Plan") for the preceding year and the terms of the incentive awards for NEOs for the current year have been approved by the Compensation Committee at its January or February meeting (and such practice is expected to continue in the future). Stock options and RSUs are granted at the meetings of the Compensation Committee and the full Board held in connection with our Annual Meeting of Stockholders (please see discussion below in the section entitled "Equity Compensation"). Since we establish the annual meeting schedule for our grants well in advance, there is no opportunity for manipulation of exercise prices on option grants if we are in possession of non-public information at the time of the meetings. The Compensation Committee oversees the administration of the Company's equity-based programs and makes recommendations to the Board for its consideration and approval of equity awards to be made to the CEO and other executive officers. The Compensation Committee has delegated authority to the CEO to grant equity awards to other non-executive officer employees. Ratification of grants for any non-executive officers who are newly-hired or promoted during the course of the year generally occurs at the Compensation Committee meeting immediately following the hiring or promotion, as applicable.

Competitive Analysis

Competitive compensation levels for our Chief Executive Officer and other NEOs are established through, among other methods, the use of data obtained from the Compensation Committee's compensation consultant. These analyses include base salary, annual incentive opportunities and long-term incentive opportunities for comparable companies. With the advice of our compensation consultant, we adopted an industry reference group as a source to evaluate compensation levels, which industry group was used to set compensation for the 2014 fiscal year. The reference group consists of 17 publicly-traded companies of reasonably similar size to us in the electronic equipment/electronic manufacturing services industry, the electronic components and equipment industry and the semiconductor/semiconductor equipment and manufacturing industry, representing different segments of our business. The companies included in the reference group are set forth below:

Company	Ticker Symbol
Cabot Microelectronics Corporation	CCMP
CTS Corporation	CTS
Diodes Incorporated	DIOD
Electro Scientific Industries, Inc.	ESIO
Fairchild Semiconductor International, Inc.	FCS
Gentex Corporation	GNTX
Hubbell Incorporated	HUBA, HUBB
KEMET Corporation	KEM
Methode Electronics, Inc.	MEI
MTS Systems Corporation	MTSC
ON Semiconductor Corporation	ONNN
Rogers Corporation	ROG
Semtech Corporation	SMTC
Stoneridge, Inc.	SRI
TTM Technologies, Inc.	TTMI
Veeco Instruments Inc.	VECO
Vishay Intertechnology, Inc.	VSH

The raw data derived from each company in the reference group is size-adjusted to approximate our revenues for the corresponding fiscal year. The total compensation for our NEOs is generally targeted at the 50th percentile of the adjusted data specific to each position. In some instances, however, we provide compensation above or below the 50th percentile for a particular element and/or for a particular position, based on internal factors, including the executive's operating responsibilities, management level, possible differences in compensation standards in the representative industries, and tenure and performance of the executive officer in the position.

In 2014, the Compensation Committee awarded total target compensation to Messrs. Hunter, Franklin, Heinzmann, Stafford and Rutz that was +17%,+15%,-13%,+18% and+14%, respectively, in relation to the median of our peer group for our 2014 fiscal year. In making the awards to our NEOs in 2014 above the median of our peer group for our

2014 fiscal year, in addition to analysis of our peer group, the Compensation Committee considered the individual scope of responsibility of each NEO, each NEO's historical compensation levels, the NEO's years of experience, the NEO's past, and expected future, contributions to our success, market practice, internal equity considerations and individual performance.

Allocation between Cash and Non-Cash Compensation and Short-Term and Long-Term Compensation

We believe that both cash components and non-cash components are appropriate mechanisms for delivering compensation. Cash compensation is used as short-term compensation (i.e., base salary and annual incentive awards), while non-cash compensation (i.e., stock options and RSUs) is generally used for long-term compensation. The allocation between cash and non-cash compensation is an outcome of our targeted competitiveness for individual program elements, including salary, annual incentive compensation and long-term incentive grants, and our practice with respect to allocating between the different types of incentive grants. The mix of compensation ultimately realized by the NEOs is determined by a combination of individual, team and Company-wide performance over time.

The allocation between short-term and long-term compensation is based primarily on competitive market practices relative to base salaries, annual incentive awards and long-term incentive values, as opposed to a targeted allocation between short-term and long-term pay. We also consider certain internal factors that may cause us to target a particular element of a NEO's compensation differently. These internal factors may include the NEO's operating responsibilities, management level and tenure and performance in the position. We consider the total compensation to be delivered to individual NEOs, and as such, exercise discretion in determining the portion allocated to annual and long-term incentive opportunity. We believe that this "total compensation" approach provides the ability to align pay decisions with the short-term and long-term needs of the business and the interests of our stockholders. It also allows for the flexibility needed to recognize differences in performance of each NEO by providing differentiated pay.

Role of the Board, Compensation Committee, Management and Consultants.

The Compensation Committee establishes, reviews and recommends all elements of the executive compensation program to the independent members of the Board for approval. The Compensation Committee works with an independent compensation consultant, Compensation Strategies, Inc. for advice and perspective regarding market trends that may affect decisions about our executive compensation program and practices. Compensation Strategies, Inc. also advises the Compensation Committee in connection with nonemployee director compensation matters. Additional responsibilities of the Board, the Compensation Committee, management and the compensation consultant include:

<u>Board of Directors and Compensation Committee</u>

The Compensation Committee reviews and recommends the Chief Executive Officer's business goals and objectives relevant to executive compensation to the independent members of the Board for approval; evaluates the performance of the Chief Executive Officer in light of those goals and objectives and recommends the Chief Executive Officer's compensation level to the independent members of the Board based on this evaluation. The Compensation Committee reviews and recommends the Chief Executive Officer's annual and long-term incentive target opportunities and payouts for approval to the independent members of the Board.

Based on a review of compensation survey data and publicly-disclosed compensation information for our peer group, individual performance, internal pay equity and other relevant factors, the Compensation Committee reviews and makes recommendations for approval to the independent members of the Board for all NEO compensation arrangements including base salary determination and annual and long-term incentive target opportunities and payouts.

<u>Management and Consultants</u>

The key elements of management's role in determining compensation levels for the NEOs (except the Chairman and Chief Executive Officer) are as follows:

Compensation program design: Management makes recommendations in consultation with the compensation consultant on compensation program design and pay levels, where appropriate, and implement the compensation programs approved by the Board.

Develop performance measures: Management identifies appropriate performance measures, recommends performance targets that are used to determine annual awards, and develops individual performance objectives for each NEO.

Compile competitive market data: Management works with the compensation consultant in compiling compensation information and preparing the data for presentation to the Compensation Committee.

Develop compensation recommendations: Based on the compensation survey data and publicly-disclosed compensation information, our Chief Executive Officer and our Executive Vice President, Chief Legal and Human Resources Officer prepare recommendations for the NEOs (other than for the Chief Executive Officer) and present these recommendations to the Compensation Committee. The Compensation Committee reviews these recommendations along with the competitive market data and other information and advice of the independent compensation consultant, if any, and makes a recommendation to the full Board for approval. Our Chief Executive Officer also assists the Compensation Committee by providing input with regards to the fulfillment of the individual performance objectives of the other NEOs. Compensation recommendations for the Chief Executive Officer are made by the Compensation Committee based on the compensation survey data and are presented to the full Board for approval by the independent directors. Our Executive Vice President and Chief Financial Officer also assists in the preparation of performance targets and objectives based on our short-term and long-term growth plans and provides financial information used by the Compensation Committee to make decisions with respect to incentive goals based on achievement of financial targets and related payouts, if any.

Impact of Accounting and Tax Issues on Executive Compensation

In setting each NEO's compensation levels, we do not have a stated policy that all compensation must be deductible. The Compensation Committee will consider various alternatives to preserving the deductibility of compensation payments and benefits to the extent reasonably practicable and to the extent consistent with our other compensation goals. The Compensation Committee and the Board analyze the overall expense arising from aggregate executive compensation levels and awards and the components of our pay programs. Section 162(m) of the Code ("Section 162(m)") places a limit of $1,000,000 on the amount of compensation that we may deduct in any one year with respect to our Chief Executive Officer and our three other most highly compensated officers, other than the principal financial officer. Compensation, including compensation pursuant to plans or arrangements approved by our stockholders, that qualifies as "performance- based compensation" under Section 162(m) is not subject to the deduction limit. The Annual Incentive Plan and the Long-Term Plan have been approved by our stockholders; as a result, stock options, stock appreciation rights, RSUs, performance shares, performance units and annual cash incentive awards under all of these plans that qualify as "performance-based compensation" will not be subject to the deductibility limit imposed by Section 162(m). We are asking that shareholders re-approve the performance goals in the Long-Term Plan (see Proposal No. 3) so that awards granted under that Long-Term Plan can continue to not be subject to the deductibility limit imposed by Section 162(m), if desired by the Compensation Committee.

Employment Contracts

Since May 1, 2006, we have had in place an employment agreement with Mr. Gordon Hunter, our Chairman of the Board, President and Chief Executive Officer. This employment agreement was most recently amended and restated, effective December 31, 2007, in order to comply with the requirements of Section 409A of the Code and the regulations and formal guidance issued thereunder ("Section 409A"). The term of the employment agreement runs until death, disability, or such time as terminated by us or Mr. Hunter. We may terminate Mr. Hunter's employment for cause or for any reason upon 60 days notice subject to certain payments as further discussed below in the section entitled, "Gordon Hunter's Employment Agreement Post-Employment Provisions." The employment agreement requires us to provide Mr. Hunter with a base salary of at least $525,000 per year, provisions for a home office, an automobile, and up to $15,000 in annual financial planning and tax counseling services. The employment agreement also contains non-disclosure, non-competition, non-solicitation and non-hire restrictions applicable to Mr. Hunter following cessation of his employment with us. The foregoing description of the terms of the employment agreement is qualified in its entirety by reference to the employment agreement as set forth on Exhibit 10.2 to our Annual Report on Form 10-K for the fiscal year ended December 27, 2008.

Please see additional discussion regarding the terms of Mr. Hunter's employment agreement below in the section entitled "Post-Employment Compensation." Other than the change of control agreements also discussed below under "Post-Employment Compensation," none of the other NEOs have employment agreements.

Components of Total Compensation

The compensation of our NEOs usually consists of five components:

- base salaries;
- annual incentive plan cash awards;
- long-term incentive compensation, consisting of stock options and RSUs;
- perquisites and health and welfare programs; and
- post-employment compensation.

Each component is designed to help achieve our compensation objectives and to contribute to a total compensation arrangement that is competitive, appropriately performance-based and valued by our NEOs.

A. Base Salaries

Purpose: The determination of each NEO's base salary is designed to attract, retain and motivate highly-qualified executives by paying a competitive salary.

Administration: Our Chief Executive Officer and our Executive Vice President, Chief Legal and Human Resources Officer recommend NEO salary levels (other than for the Chief Executive Officer) to the Compensation Committee for approval. The Compensation Committee reviews these recommendations along with the reference group information and other information and advice of the compensation consultant, if any, and makes its recommendations to the full Board for approval. The Compensation Committee determines and makes Chief Executive Officer salary recommendations to the full Board for approval by the independent directors.

Determination of amounts: While base salary is generally targeted at the 50th percentile of the reference group, we also take into account factors such as individual scope of responsibility, years of experience, past and future contributions to our success and possible differences in compensation standards in our industry. We strive to be market competitive in an effort to attract, retain and motivate highly-talented executive officers. The NEOs' salaries are determined by market salary data and each individual's position, responsibility and longevity within our Company and performance in that position.

The base salaries for the NEOs in 2014 were determined based on historical compensation for our NEOs and on compensation information provided by the compensation consultant. In both 2014 and 2015, the Compensation Committee recommended to the Board and the Board approved increases in base salary for all NEOs, effective as of February 1 of the next year except that a special increase was approved for Mr. Heinzmann, effective January 10, 2014 to coincide with his promotion from Vice President of Global Operations to the Company's Chief Operating Officer. In connection with Mr. Heinzmann's promotion, the Compensation Committee, after considering a compensation review prepared by Compensation Strategies, Inc., approved an increase in his annual base salary from $307,178 to $400,000.

The base salary amounts for the NEOs, effective as of February 1, 2014 and February 1, 2015 (or January 10, 2014, in the case of Mr. Heinzmann and February 10, 2014 in the case of Mr. Rutz), respectively, are as follows:

	2014	2015

Name	Annualized Base Salary	Annualized Base Salary
Gordon Hunter	$ 730,714	$ 752,635
Philip G. Franklin	$ 408,512	$ 420,767
David W. Heinzmann	$ 400,000	$ 475,000
Ryan K. Stafford	$ 372,768	$ 383,951
Michael P. Rutz	$ 340,000	$ 350,200

B. Annual Incentive Plan

In General: In January 2014, our Compensation Committee and our Board approved the Annual Incentive Plan and on April 25, 2014 our stockholders approved the Annual Incentive Plan. The Annual Incentive Plan contains terms substantially similar to its predecessor.

Purpose: The Annual Incentive Plan is designed to provide a performance-based cash reward to the NEOs (among other executives and key employees of the Company) for contributing to the achievement of our corporate goals and driving stockholder value, thereby addressing the objectives of our executive compensation policies.

Administration: The Compensation Committee, after (1) consulting with our Chief Executive Officer and our Executive Vice President, Chief Legal and Human Resources Officer, (2) reviewing the reference group information and other information and advice, if any, of the compensation consultant and (3) discussing the financial goals and targets of the Company for the next fiscal year with our Chief Executive Officer, our Chief Operating Officer, and our Executive Vice President and Chief Financial Officer, establishes a threshold, target and maximum amount that may be awarded as an annual award under the Annual Incentive Plan to each NEO for the calendar year. The threshold, target and maximum amounts are set as percentages of each NEO's base salary in effect as of October 31st of the performance period.

Awards to NEOs are granted based on an explicit formula approved by the Compensation Committee and recommended to the full Board for approval, typically at the first meeting of each year. At the end of each year, the amount of the total award payable to each of the NEOs is calculated by the Compensation Committee based on Company and individual performance measures using a mathematical formula weighing each of the factors. The Compensation Committee then recommends the awards to the full Board for approval.

The Compensation Committee retains the discretion to decrease the total award payable to any NEO and to adjust (upward or downward) any performance measure for extraordinary events or circumstances, except that no adjustment to performance measures will be made if it would cause an award intended to satisfy the requirements of performance-based compensation under Section 162(m) to fail to qualify. In the past, these adjustments have included severance charges and extreme commodity price changes.

Determination of amounts: Incentive amounts are earned by each NEO based on the achievement of established objectives on a sliding scale from 0% to 200% of the target amount, which is set as a percentage of the NEO's base salary. The maximum incentive amount that can be paid for a performance period has been limited under the Annual Incentive Plan to $2,500,000. While one factor we consider in compensation of our NEOs is where that compensation falls in relation to the 50th percentile of the total compensation of our reference group, we do not necessarily match our annual incentive awards against a certain percentile of the reference group and we consider other factors, such as internal equity considerations and the years of service of the NEO, in setting the compensation amounts. We set the threshold, target and maximum amounts so that, if earned, we pay sufficient total annual compensation to remain competitive.

Incentive awards paid to individual NEOs have been based on both the actual financial results in relation to the target goals under the Annual Incentive Plan and an evaluation of the NEO’s performance in relation to his or her individual performance objectives. Approximately 80% of the award has been tied to the actual financial results, such as sales, earnings per share and cash from operations, as well as performance measurements of the areas within the scope of authority of the NEO, in relation to the target goals under the Annual Incentive Plan and, except for an earnings per share threshold with respect to Messrs. Hunter, Franklin and Heinzmann, approximately 20% has been based on individual performance objectives, some of which are qualitative in nature and require subjective determinations by the Compensation Committee in its discretion. Since Section 162(m) allows payout amounts to be reduced (but not increased) at the discretion of the Compensation Committee, 20% of awards for Messrs. Hunter, Franklin and Heinzmann have been fully earned at a maximum level based on meeting a minimum amount of earnings per share, but then has been subject to reduction to appropriate levels based on performance against his stated goals, as determined by the Compensation Committee or Board in their negative discretion.

The following table summarizes the Annual Incentive Plan opportunity percentages for the NEOs for 2014:

Name	2014 Annual Incentive Plan Opportunity (as a Percentage of 2014 Base Salary)		
	Threshold	Target	Maximum
Gordon Hunter	50%	100%	200%
Philip G. Franklin	35%	70%	140%
David W. Heinzmann	35%	70%	140%
Ryan K. Stafford	35%	70%	140%
Michael P. Rutz	30%	60%	120%

The threshold, target and maximum amounts as percentages of each NEO's base salary are set forth in the "Grants of Plan Based Awards in 2014 Table" included in this Proxy Statement. Based on our previous financial performance and the projections for 2014 performance, the Compensation Committee set what it considered aggressive Company performance objectives for the prior Annual Incentive Plan in 2014.

In January 2015, the Compensation Committee made determinations as to the satisfaction of the individual performance factors for 2014 for each NEO and determined payouts under the Annual Incentive Plan for 2014. The table below shows the amounts earned under the awards granted under the prior Annual Incentive Plan in 2014 for each NEO and the amount as a percentage of base salary:

Name	Amounts Awarded Under the 2014 Annual Incentive Plan	Awarded Amount as a Percent of Base Salary
Gordon Hunter	$887,087	121 %
Philip G. Franklin	$341,720	84 %
David W. Heinzmann	$334,600	84 %
Ryan K. Stafford	$317,040	85 %
Michael P. Rutz (a)	$173,570	51 %

(a) The amount awarded to Mr. Rutz was pro-rated to reflect his hire date of February 10, 2014.

In connection with making the above awards, the Committee certified that the following performance had been achieved for 2014:

Goals	Weight	Target Performance	Actual Performance	Incentive Earned (% of Total Target)
Gordon Hunter				
Corporate Sales	20%	$ 854.3 M	$ 852.0 M	19.4 %
Earnings per Share	30%	$ 4.88	$ 4.78	26.4 %
Cash from Operations	20%	$ 135.0 M	$ 153.0 M	40.0 %
Working Capital	10%	25.8 %	27.7 %	6.6 %
Individual:	20%	100 %	145 %	29.0 %
Total:	100%			121.4 %
Philip G. Franklin				
Corporate Sales	10%	$ 854.3 M	$ 852.0 M	9.7 %
Earnings per Share	40%	$ 4.88	$ 4.78	35.2 %
Cash from Operations	20%	$ 135.0 M	$ 153.0 M	40.0 %
Working Capital	10%	25.8 %	27.7 %	6.6 %
Individual:	20%	100 %	140 %	28.0 %
Total:	100%			119.5 %
David W. Heinzmann				
Corporate Sales	10%	$ 854.3 M	$ 852.0 M	9.7 %
Earnings per Share	40%	$ 4.88	$ 4.78	35.2 %
Cash from Operations	20%	$ 135.0 M	$ 153.0 M	40.0 %
Working Capital	10%	25.8 %	27.7 %	6.6 %
Individual:	20%	100 %	140 %	28.0 %
Total:	100%			119.5 %
Ryan K. Stafford				
Corporate Sales	10%	$ 854.3 M	$ 852.0 M	9.7 %
Earnings per Share	40%	$ 4.88	$ 4.78	35.2 %
Cash from Operations	20%	$ 135.0 M	$ 153.0 M	40.0 %
Working Capital	10%	25.8 %	27.7 %	6.6 %
Individual:	20%	100 %	150 %	30.0 %
Total:	100%			121.5 %
Michael P. Rutz				
Corporate Sales	10%	$ 854.3 M	$ 852.0 M	9.7 %
Earnings per Share	40%	$ 4.88	$ 4.78	35.2 %

Cash from Operations	10%	$ 135.0 M	$ 153.0 M	20.0	%
Working Capital	20%	25.8 %	27.7 %	13.2	%
Individual:	20%	100 %	120 %	24.0	%
Total:	100%			102.1	%

The personal performance objectives vary for each NEO, as described below, and are tailored to the job responsibilities of each individual NEO. Personal performance objectives considered in determining incentive awards are subject to change from year-to-year, depending on the needs of the Company and the role of the NEO; however, personal performance objectives in 2014 generally fell under three broad categories: (1) overall Company business performance; (2) development of managerial leaders and talent within the Company; and (3) legal compliance and corporate governance best practices.

Mr. Hunter’s personal performance objectives included: succession and talent development; business stability; acquisition momentum and integration; business and operational excellence; and legal compliance and corporate governance. Mr. Franklin’s personal performance objectives included: team development and succession planning; mergers and acquisitions; investor relations; and balance sheet optimization. Mr. Heinzmann’s personal performance objectives included: operational excellence; business unit performance strategy execution; acquisition growth; talent development and succession planning; and lean enterprise. Mr. Stafford’s personal performance objectives included: corporate communication and branding execution; risk management strategies; human capital strategy and talent development; and compliance and corporate governance. Mr. Rutz’s personal performance objectives included: operational/business excellence; lean enterprise; mergers and acquisitions; and leadership and talent development.

While some of the 2014 individual performance objectives for each NEO may be measured by objective standards, others may be more qualitative in nature and are ultimately subject to the determination of the Compensation Committee based on input from our Chief Executive Officer. In the case of Messrs. Hunter, Franklin and Heinzmann, their 20% portion is fully earned on meeting an earnings per share threshold of $2.00 and then is subject to reduction by the Compensation Committee or the Board in their negative discretion based on individual performance against stated goals.

At its January 2015 meeting, the Compensation Committee established the threshold, target and maximum amounts (as a percentage of base salary) to be awarded under the Annual Incentive Plan for 2015 for the NEOs, subject to the achievement of financial objectives of the Company and individual performance objectives set by the Compensation Committee for 2015.

The Board also approved these increases.

The following table summarizes Annual Incentive Plan target percentages, as a percentage of base salary, for the NEOs for 2015:

	2015 Annual Incentive Plan Opportunity (as a Percentage of 2015 Base Salary)		
Name	Threshold	Target	Maximum
Gordon Hunter	50%	100%	200%
Philip G. Franklin	35%	70%	140%
David W. Heinzmann	40%	80%	160%
Ryan K. Stafford	35%	70%	140%
Michael P. Rutz	30%	60%	120%

C. Long-Term Incentive Compensation

Purpose: In 2014, the Compensation Committee awarded a combination of two types of equity awards under the Long-Term Plan to our NEOs: stock option awards and RSUs. The Compensation Committee determined that the two award types emphasize the goals of our equity compensation: (1) to align each NEO's financial interests with driving stockholder value; (2) to focus the NEOs' efforts on long-term financial performance of the Company; and (3) to assist in the retention of our NEOs.

Administration: The Compensation Committee approves the awards of stock options and RSUs based upon (1) the recommendations of our Chief Executive Officer and our Executive Vice President, Chief Legal and Human Resources Officer with respect to the NEOs other than the Chief Executive Officer, and on its own with respect to the Chief Executive Officer; and (2) reviewing the reference group information and other information and advice of the compensation consultant, if any. The overall funding levels for our equity awards, however, are ultimately subject to the judgment and approval of the Compensation Committee to ensure appropriate alignment with the interest of our stockholders.

Since 2010, the Compensation Committee has granted stock options with a three-year vesting period and an exercise price equal to the fair market value of our common stock on the date of grant and RSUs with a three-year vesting period. Upon vesting, one share of our common stock will be delivered for each restricted stock unit award, net of any shares necessary to satisfy applicable tax withholding. The Long-Term Plan does not permit grants of stock options with exercise prices below the fair market value of the stock at the time of the grant.

Determination of Amounts: While we generally target total equity compensation awards at the 50th percentile of our reference group, we also take into account other factors, such as years of service with the Company and internal pay equity considerations, when determining total equity compensation. The allocation by the Committee between the types of equity compensation is based primarily on a combination of market practice, internal equity considerations, individual performance and relative importance of the objectives behind each of the types (i.e. long-term financial performance and retention). In 2014, based on a valuation performed by the Compensation Committee's independent consultant, the Compensation Committee determined that approximately 50% of the value of the equity awards should be made in stock options, with the remaining 50% of the value of the equity awards to be made in RSUs. The restricted stock unit awards and stock options granted in 2014 to the NEOs are set forth in the "Grants of Plan-Based Awards in 2014 Table" below.

In connection with Mr. Heinzmann's promotion to Chief Operating Officer, the Compensation Committee recommended, after consideration of a compensation review prepared its compensation consultant, and the full Board approved, a special, one-time award to him of 2,142 RSUs under the Long-Term Plan. The RSUs fully vest on the third anniversary of their grant date (subject to accelerated vesting upon death, disability, or change in control).

In connection with the Company's desire to retain Mr. Stafford, the Compensation Committee recommended and the full Board approved a one-time award to him of 1,983 RSUs under the Long-Term Plan. The RSUs fully vest on the third anniversary of their grant date (subject to accelerated vesting upon death, disability, or change in control).

In connection with Mr. Rutz's employment offer, the Compensation Committee recommended and the full Board approved a sign-on restricted stock unit award grant under the Long-Term Plan having a value of $75,000 (based on the closing price of Littelfuse stock on the date of grant). The RSUs fully vest on the third anniversary of their grant date (subject to accelerated vesting upon death, disability, or change in control).

Stock Ownership Policy

As mentioned above under the *Director Compensation* section, we adopted a stock ownership policy in fiscal year 2011 that requires our executive officers and directors to hold and maintain a certain number of shares of common stock of the Company. Our Chief Executive Officer is required to hold a number of shares equal to five times (5x) his base salary, our Chief Operating Officer , Executive Vice President and Chief Financial Officer, and our Executive Vice President, Chief Legal and Human Resources Officer, are each required to hold a number of shares equal to three times (3x) his respective base salary, and each of our other vice presidents and senior vice presidents is required to hold a number of shares equal to two times (2x) his or her respective base salary, each as may be adjusted by the Compensation Committee from time to time to account for a significant increase in the price of the Company's common stock. As noted above, the stock ownership policy permits the Compensation Committee to adjust the ownership requirements in the event of a significant increase in the price of the Company's common stock. In light of the approximately 51% increase in the price of the Company's common stock during the 2013 fiscal year, in January 2014 the Compensation Committee approved an adjustment to the ownership requirements using the average January 2014 closing price of the Company's common stock of $93 per share. As a result, effective January 2014, the ownership requirements for each person covered by the stock ownership policy (including the members of the Board) were adjusted by dividing the number of shares required to be held before the adjustment (for example, 5x base salary for our Chief Executive Officer) by $93 per share. All new executive officers have five years from the date of election or appointment to satisfy their required stock ownership level. Like the directors, until such time as an officer achieves the required stock ownership level, that officer is required to retain 50% of the "net shares" of common stock realized from any equity awards granted by the Company. Failure to satisfy the applicable stock ownership level within the required compliance period may result in an officer being ineligible to receive his or her annual equity award, ineligible to receive any cash bonus in the form of shares of common stock, and/or being subject to a 100% retention requirement. The NEOs are currently in compliance with the stock ownership policy, with the exception of Mr. Rutz, who was hired on February 10, 2014 and who has five years from such hiring date to satisfy his holding requirement.

D. Perquisites and Health and Welfare Programs

Perquisites

Our Chief Executive Officer and other NEOs are provided with the opportunity to receive executive physicals and financial planning services on an annual basis. We participate in an executive physical program that provides approximately $5,000 in services per NEO. In addition, Mr. Hunter is entitled to $15,000 per year of financial planning and tax consulting services, and each of our other NEOs is entitled to $12,000 per year of financial planning services. We provide these benefits to help our NEOs efficiently manage their time and financial affairs and to allow them to stay focused on business issues and minimize distractions of this type. Additionally, Mr. Hunter is provided with a Company automobile as required by his employment agreement, the terms of which were established to remain competitive with our referenced peer group. For more information on these perquisites, see the "Summary Compensation Table" below.

Health and Welfare Programs

Our U.S. NEOs participate in the same health and welfare programs designed for all of our full-time U.S. employees including participation in certain Company wellness initiatives which provide the opportunity to earn a bonus for the successful completion of those initiatives. We believe these programs are important components of a total compensation system, and we provide them to remain competitive. The core package includes group health, dental, disability, business travel accident, life and accidental death and dismemberment (AD&D) coverage. The U.S. NEOs are also provided with an increased amount of life and AD&D insurance in order to provide a targeted level of coverage equal to three times base salary. We provide these benefits to remain competitive with those U.S. companies with whom we compete for executive talent.

E. Post-employment Compensation

Retirement Plans

We provide retirement benefits to our U.S. employees and NEOs through the following plans:

<u>Littelfuse, Inc. 401(k) Retirement and Savings Plan</u>

NEOs may elect to participate in the 401(k) Plan on the same basis as all other U.S. employees. The Littelfuse, Inc. 401(k) Retirement and Savings Plan (“401(k) Plan”) provides employees the opportunity to save for retirement on a tax-favored basis. The Company amended the 401(k) Plan, effective as of January 1, 2012, to provide mandatory Company contributions equal to 2% of a participant’s annual eligible pay. This is in addition to the existing Company matching contributions, which provide a dollar-for-dollar match on participant salary deferrals up to 4% of a participant’s annual eligible pay (subject to IRS compensation limits). The Plan also provides for discretionary contributions for those eligible, active participants who as of January 1, 2010, participated in the Littelfuse, Inc. Retirement Plan (“Pension Plan”) and had earned a minimum of 10 years of service and a combined age and years of service of at least 60 (the “60 Point Group”). The Company has currently set these contributions at 5% of base pay (subject to IRS compensation limits). All contributions to the 401(k) Plan are fully vested and nonforfeitable.

Littelfuse, Inc. Supplemental Retirement and Savings Plan

NEOs may elect to participate in the Littelfuse, Inc. Supplemental Retirement and Savings Plan, effective January 1, 2010 (the “Supplemental Plan”). The Supplemental Plan is offered to a select group of U.S. management employees who earn above a designated threshold. The Supplemental Plan is a top-hat non-qualified defined contribution retirement plan that allows participants to plan for retirement by deferring up to 90% of their annual eligible pay. The Company makes fully vested matching contributions which provide a dollar-for- dollar match on total participant salary deferrals to both the Supplemental Plan and the 401(k) Plan, less any match already made under the 401(k) Plan. This match is intended to ensure that the IRS deferral and compensation limits that apply to the 401(k) Plan do not prevent participants from deferring the desired percentage of their earnings and receiving their full matching contribution on such amount. The Company may also provide fully vested contributions to certain U.S. members of the 60 Point Group (as defined above) to ensure they receive their full contribution, without regard to the IRS compensation limit that applies to the 401(k) Plan ($260,000 for 2014). The Supplemental Plan tracks the compensation definitions and 60 Point Group contribution percentages that apply to the 401(k) Plan.

Littelfuse, Inc. Retirement Plan

The NEOs (other than Mr. Rutz) accrued a retirement benefit under the Littelfuse, Inc. Retirement Plan (the "Pension Plan") prior to it being frozen effective April 1, 2009. See the section entitled "Pension Benefits" below for more information. As reported on a Form 8-K current report that we filed on July 31, 2014, the Board of Directors terminated the Pension Plan on July 31, 2014, and the Company is in the process of distributing all Pension Plan benefits to participants, including the NEOs.

Other Plans

Mr. Franklin accrued a retirement benefit under the Littelfuse, Inc. Supplemental Executive Retirement Plan (the "SERP") prior to its termination effective December 31, 2009. See the section entitled "Nonqualified Deferred Compensation" below for more information.

Post-Employment Compensation

As reported on a Form 8-K current report that we filed on December 22, 2014, on December 16, 2014, we entered into new change of control agreements, effective as of January 1, 2015, with each of our NEOs that provide the same payments and benefits on termination of employment in connection with a change of control of the Company as provided in their prior change of control agreements that expired on December 31, 2014. For more information on our change of control agreements, please see the section entitled "Post-Employment Compensation – Change of Control Agreements Post- Employment Provisions."

COMPENSATION COMMITTEE REPORT

To the Board of Directors of Littelfuse, Inc.:

We have reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement.

Based on the review and discussion referred to above, we recommend to the Board of Directors that the Compensation Discussion and Analysis referred to above be included in this Proxy Statement and in our Annual Report on Form 10-K for the year ended December 27, 2014.

Compensation Committee:

Tzau-Jin (T. J.) Chung (Chairman)

William P. Noglows

Ronald L. Schubel

The foregoing report is not deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission or subject to the Securities and Exchange Commission's proxy rules or the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, and the report shall not be deemed to be incorporated by reference into any prior or subsequent filing by us under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Compensation Tables and Narrative Disclosures

The following table sets forth compensation information for our NEOs for services rendered in all capacities to us and our subsidiaries in fiscal years 2014, 2013 and 2012.

2014 Summary Compensation Table

Name and Principal Position	Year	Salary (a) ($)	Bonus (b) ($)	Stock Awards (c) ($)	Option Awards (d) ($)	Non-Equity Incentive Plan Compensation (e) ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (f) ($)	All Other Compensation (g) ($)	Total ($)
Gordon Hunter	2014	$725,966	$300	$1,031,548	$1,013,775	$887,087	$10,789	$132,897	$3,802,362
Chairman of the Board,	2013	$709,431	-	$731,693	$987,070	$994,735	$0	$119,140	$3,542,069
President and Chief Executive Officer	2012	$688,768	-	$737,693	$925,848	$725,706	$37,679	$192,675	$3,308,369
Philip G. Franklin	2014	$404,738	$150	$348,194	$342,563	$341,720	$21,371	$61,042	$1,519,777
Executive Vice President and	2013	$384,307	-	$287,135	$387,180	$399,031	-	$70,201	$1,527,854
Chief Financial	2012	$373,114	-	$289,279	$362,390	$300,737	$74,499	$77,722	$1,477,741

Officer										
David W. Heinzmann Chief Operating Officer		2014	$395,308	$150	$579,908	$377,213	$334,600	$116,587	$69,677	$1,873,442
		2013	$307,178	-	$197,283	$265,290	$299,186	$0	$62,321	$1,131,258
		2012	$298,231	-	$199,226	$250,166	$206,040	$178,789	$47,726	$1,180,178
Ryan K. Stafford Executive Vice President, Chief Legal and Human Resources Officer		2014	$367,474	$150	$468,729	$280,875	$317,040	$11,351	$50,868	$1,496,487
		2013	$330,362	-	$231,141	$310,700	$321,766	$0	$44,895	$1,238,864
		2012	$320,740	-	$233,150	$292,250	$221,591	$17,283	$47,968	$1,132,982
Michael P. Rutz Senior Vice President Global Operations	(h)	2014	$300,115	$0	$266,727	$190,313	$173,570	-	$17,124	$947,849

(a) Base salary includes compensation deferred under the Littelfuse 401(k) Plan and Supplemental Plan.

(b) Represents discretionary bonuses earned in connection with our wellness initiatives in fiscal year 2014.

(c) Represents the full grant date fair value of RSUs for fiscal years 2012, 2013 and 2014, in accordance with FASB ASC Topic 718. For a discussion of assumptions used in the calculation of these amounts, please see Note 13 to our audited financial statements included in our 2014 Annual Report on Form 10-K.

(d) Represents the full grant date fair value of stock option awards for fiscal years 2012, 2013 and 2014, in accordance with FASB ASC Topic 718. For a discussion of assumptions used in the calculation of these amounts, please see Note 13 to our audited financial statements included in our 2014 Annual Report on Form 10-K.

(f) Amounts shown for the NEOs are attributable to the change in the actuarial present value of the accumulated benefit under the Pension Plan. There can be no assurance that the amounts shown will ever be realized by the NEOs. Although the Pension Plan was frozen effective April 1, 2009 and terminated on July 31, 2014, the actuarial present value of each NEOs benefit under the plan is subject to change, largely due to the passage of time, and changes in the discount rate used to value the Pension Plan's liabilities. For assumptions used in calculation of these amounts, please see the "Pension Benefits Table." There are no above-market or preferential earnings in the Supplemental Plan or the SERP. Please see the "2014 Nonqualified Deferred Compensation Table" for more information.

The amounts in this column for 2014 reflect company and matching contributions allocated by us to each NEO pursuant to our 401(k) Plan, and Supplemental Plan, and the cost of insurance premiums paid by us with respect to term life and AD&D insurance. The amount of company matching contributions made to our 401(k) plan in 2014 for Messrs. Franklin and Heinzmann were $28,600 and $28,600, respectively. The amount of company contributions made to the Supplemental Plan in 2014 for Messrs. Hunter and Heinzmann were $67,926 and $27,099 respectively.

(g)

Each NEO is also eligible to receive tax and financial planning services provided by a third-party service provider and a physical examination, although Messrs. Heinzmann and Rutz did not use these benefits in 2014. In addition, the amount for Mr. Hunter includes the value of the personal use of a Company automobile, including maintenance, fuel and upkeep costs club membership dues and spouse travel for industry events; Mr. Franklin's amount includes club membership dues.

(h) Mr. Rutz was employed with the Company starting on February 10, 2014.

The following table provides additional information with respect to options and stock-based awards granted in 2014, the value of which was provided in the Stock Awards and Options Awards columns of the Summary Compensation Table, and the potential range of payouts associated with the Annual Incentive Plan.

Grants of Plan-Based Awards in 2014 Table

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards				Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units		All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock Awards
Name	**Type of Award**	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**		**Threshold (#)**	**Target (#)**	**Maximum (#)**	**(#)**		**(#) (a)**	**($ / sh) (b)**	**(c)**
Gordon Hunter	RSUs	4/25/14	-	-						11,080	(e)	-	-	$1,031,548
	Options	4/25/14	-	-						-		38,620	$94.84	$1,013,775
	Annual Cash	-	$365,357	$730,714	$1,461,428	(d)				-		-	-	-
Philip G. Franklin	RSUs	4/25/14	-	-						3,740	(e)	-	-	$348,194
	Options	4/25/14	-	-						-		13,050	$94.84	$342,563
	Annual Cash	-	$142,979	$285,958	$571,917	(d)				-		-	-	-
David W. Heinzmann	RSUs	1/10/14	-	-						2,142	(f)	-	-	$196,336
	RSUs	4/25/14	-	-						4,120	(e)	-	-	$383,572
	Options	4/25/14	-	-						-		14,370	$94.84	$377,213
	Annual Cash	-	$140,000	$280,000	$560,000	(d)				-		-	-	-
Ryan K. Stafford	RSUs	4/25/14	-	-						3,070	(e)	-	-	$285,817
	RSUs	4/25/14	-	-						1,983	(g)	-	-	$182,912
	Options	4/25/14	-	-						-		10,700	$94.84	$280,875
	Annual Cash	-	$130,469	$260,938	$521,875	(d)								