

CTS CORP
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April 05, 2017

April 5, 2017

Dear CTS Shareholder:

You are cordially invited to attend the 2017 Annual Meeting of Shareholders of CTS Corporation. The meeting will be held on Thursday, May 18, 2017, at 9:30 a.m. Central Time, at the Hotel Arista located at 2139 City Gate Lane, Naperville, Illinois 60563.

We are pleased to continue to take advantage of the Securities and Exchange Commission rules allowing us to furnish proxy materials to shareholders on the Internet. We believe that these rules provide you with proxy materials more quickly and reduce the environmental impact of our Annual Meeting. Accordingly, we are mailing to shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access and review our 2017 Proxy Statement and Annual Report to Shareholders for the year ended December 31, 2016, and to vote online or by telephone. If you would like to receive a paper copy of our proxy materials, please follow the instructions for requesting these materials on page 3 of the 2017 Proxy Statement.

We hope you will attend the meeting in person. Whether you plan to attend the meeting or not, we encourage you to read this proxy statement and to vote your shares. The vote of every shareholder is important.

We look forward to seeing you at the meeting.

Kieran O'Sullivan
Chairman, President and Chief Executive Officer

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NOTICE OF THE 2017 ANNUAL MEETING OF SHAREHOLDERS

To Be Held On

May 18, 2017

To CTS Shareholders:

The 2017 Annual Meeting of Shareholders of CTS Corporation will be held on Thursday, May 18, 2017, at 9:30 a.m. Central Time, at the Hotel Arista located at 2139 City Gate Lane, Naperville, Illinois 60563. To obtain directions to the meeting location, please call (630) 577 8800, or see the map on page 3 of the Proxy.

Only CTS shareholders of record at the close of business on March 20, 2017, may vote at this meeting or any adjournments that may take place. At the meeting, shareholders will vote on the following items:

PROPOSAL 1 Election of seven directors for a one year term;

PROPOSAL 2 Approval, on an advisory basis, of the compensation of CTS' named executive officers;

PROPOSAL 3 Advisory vote regarding the frequency of future advisory votes regarding the
the compensation of CTS' named executive officers;

PROPOSAL 4 Ratification of the appointment of Grant Thornton LLP as CTS' independent auditor for 2017; and
Any other business properly presented at the meeting.

Your Board of Directors recommends that you vote in favor of the director nominees, in favor of the advisory approval of CTS' named executive officer compensation, in favor of maintaining the current annual frequency of advisory votes regarding CTS' named executive officer compensation, and in favor of the ratification of the appointment of Grant Thornton LLP.

By Order of the Board of Directors,

Luis F. Machado

Corporate Secretary

April 5, 2017

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 18, 2017.

The Notice, 2017 Proxy Statement, Form of Proxy
and 2016 Annual Report to Shareholders are available at
<http://www.ctscorp.com/investors>

PROXY STATEMENT
2017 ANNUAL MEETING OF SHAREHOLDERS
To be held on
May 18, 2017

This proxy statement is furnished in connection with the solicitation by the Board of Directors (“Board”) of CTS Corporation (“CTS”, “we”, “us”, “our” or the “Company”) of proxies to be voted at the 2017 Annual Meeting of Shareholders (“Annual Meeting”). CTS will bear the cost of this solicitation. On or about April 5, 2017, the Company mailed to its shareholders the Notice of Internet Availability of Proxy Materials, and made available this proxy statement, the accompanying proxy card and Annual Report to Shareholders. The following is important information in a question and answer format regarding the Annual Meeting and this proxy statement.

Q: Upon what may I vote?

- A: (1) Election of director nominees to serve on the Board;
(2) Approval, on an advisory basis, of the compensation of CTS’ named executive officers;
(3) Advisory vote regarding the frequency of future advisory votes regarding the compensation of CTS’ named executive officers; and
(4) Ratification of the appointment of Grant Thornton LLP as CTS’ independent auditor for 2017.

Q: How does the Board recommend that I vote?

A: The Board recommends that you vote:

- (1) FOR each of the director nominees identified in this proxy statement;
(2) FOR advisory approval of CTS’ named executive officer compensation;
(3) FOR maintaining the current annual frequency of future advisory votes regarding the compensation of CTS’ named executive officers; and
(4) FOR ratification of the appointment of Grant Thornton LLP as CTS’ independent auditor for 2017.

Q: How will voting on any other business be conducted?

We are not aware of any other business to be brought before the shareholders at the Annual Meeting other than as described in this proxy statement. However, if any other business is properly presented for shareholder

A: consideration, your signed proxy card gives authority to Kieran O’Sullivan, Chairman, President and Chief Executive Officer, and Luis F. Machado, Vice President, General Counsel and Corporate Secretary, to vote on those matters at their discretion.

Q: How many votes are needed for approval of each proposal presented in this proxy statement?

A: Assuming that at least a majority of the shares of CTS common stock are represented at the Annual Meeting, either in person or by proxy:

(1) The seven director nominees receiving the most votes will be elected. Only votes cast for a nominee will have an impact on the election of directors. Abstentions, broker non votes and instructions on your proxy to withhold authority to vote for one or more of the nominees will have no impact as they will only result in those nominees receiving fewer votes;

(2) An affirmative vote of a majority of votes cast is necessary to approve, on an advisory basis, the compensation of CTS' named executive officers, although such vote will not be binding on CTS. Abstentions and broker non votes will have no impact on the outcome of this proposal;

(3) You may vote to approve a frequency for future advisory votes on the compensation of CTS' named executive officers of every one, two, or three years or you may abstain from voting. This advisory vote is not binding on the Board. The frequency of future advisory votes on the compensation of CTS' named executive officers receiving the greatest number of votes (every one, two, or three years) will be considered the frequency recommended by shareholders. Abstentions and broker non-votes will have no impact on the outcome of this proposal; and

(3) The Audit Committee's appointment of Grant Thornton LLP as CTS' independent auditor for 2017 will be ratified if a majority of the votes cast support the appointment. Your broker or other nominee will be able to vote your shares with respect to this proposal without your instructions because the proposal to ratify the appointment of Grant Thornton LLP is considered "routine." Abstentions will have no impact on the outcome of this proposal.

Q: Who is entitled to vote?

A: Shareholders of record at the close of business on March 20, 2017, which is referred to in this proxy statement as the Record Date, are entitled to vote at the Annual Meeting. As of close of business on the Record Date, there were 32,849,549 shares of CTS common stock issued and outstanding. Every shareholder is entitled to one vote for each share of CTS common stock held on the Record Date.

Q: How do I vote?

A: Please follow the instructions on your Notice of Internet Availability of Proxy Materials to vote online or by telephone up until 11:59 p.m. Eastern Time on May 17, 2017. Of course, you may always vote in person at the meeting. You may revoke your proxy at any time before it is exercised by giving us written notice, sent to our principal executive offices, by submitting a duly executed proxy card to us bearing a later date, or by giving notice to us at the Annual Meeting.

Q: How can I vote shares of CTS common stock that I hold under the CTS Corporation Retirement Savings Plan?

A: The CTS Corporation Retirement Savings Plan is CTS' 401(k) plan. Vanguard Fiduciary Trust Company ("Vanguard"), the plan trustee, will vote the shares of CTS common stock in your account according to your instructions. You may use the proxy card provided or go online at www.proxyvote.com to instruct Vanguard. You must provide instructions or make changes to your instructions on how to vote shares of CTS common stock in your CTS Corporation Retirement Savings Plan on or before 11:59 p.m. Eastern Time on May 16, 2017. After that time, your instructions will be transmitted to the plan trustee and cannot be changed. If Vanguard does not receive your instructions to vote your shares of CTS common stock, they will not be voted.

Q: Who is entitled to attend the Annual Meeting?

A: Attendance at the Annual Meeting will be limited to our shareholders as of the Record Date and to pre approved guests of CTS. All shareholder guests must be pre approved by CTS and will be limited to spouses, persons required for medical assistance and properly authorized representatives of our shareholders as of the Record Date.

A: Additionally, if you are not the record holder of your shares, to attend the Annual Meeting you must first obtain a legal proxy form from your broker or other organization that holds your shares. Please contact your broker or organization for instructions

regarding obtaining a legal proxy. If you do obtain a legal proxy and plan to attend the Annual Meeting, you will be required to present a valid form of identification.

Below is a map reflecting the location of CTS' Annual Meeting.

Q: Who solicits proxies on behalf of the Board and how much will this proxy solicitation cost?

A: Broadridge, Inc. distributes proxy materials on CTS' behalf and is reimbursed by CTS for mailing and distribution expenses. Proxies may also be solicited by executive officers of CTS, for which no additional compensation is paid.

Q: How can I receive paper or email copies of the proxy materials?

Shareholders wishing to receive paper or email copies of the proxy materials for the Annual Meeting and for future annual meetings of shareholders may request to receive proxy materials in printed form by mail, or electronically by email, by directing written or oral requests to CTS Corporation, Corporate Secretary, 2375 Cabot Drive, Lisle, Illinois 60532, by calling (630) 577 8800 and leaving a message for our Corporate Secretary, by sending an email to shareholder.services@ctscorp.com by May 5, 2017, or by following the directions on your proxy card.

Q: How may a shareholder nominate a candidate for election to the Board?

Director nominees for the 2018 Annual Meeting of Shareholders may be nominated by shareholders by sending a written notice to the corporate office to the attention of the Corporate Secretary for CTS. Pursuant to the CTS Corporation Bylaws, all nominations must be received no earlier than January 3, 2018, and no later than February 17, 2018. The notice of nomination is required to contain certain representations and information about the nominee, which are described in CTS' Bylaws. Copies of the Bylaws may be obtained free of charge from CTS' Corporate Secretary, or from CTS' website at <http://www.ctscorp.com/wp-content/uploads/BL.pdf>.

Q: When are shareholder proposals for the 2018 Annual Meeting of Shareholders due?

CTS' advance notice Bylaw provisions require that in order to be presented at the 2018 Annual Meeting of Shareholders, any shareholder proposal, including the nomination of a candidate for director, must be in writing and mailed to the corporate office to the attention of the Corporate Secretary for CTS, and must be received no earlier than January 3, 2018 and no later than February 17, 2018. Certain information is required to be included with shareholder proposals, which is described in CTS' Bylaws. Copies of the Bylaws may be obtained free of charge from CTS' Corporate Secretary, or from CTS' website at <http://www.ctscorp.com/wp-content/uploads/BL.pdf>. To be included in our proxy materials relating to the 2018 Annual Meeting of Shareholders, in addition to the notice described above, proposals must be received by us on or before December 6, 2017, (or, if the date of the 2018 Annual Meeting of Shareholders is more than 30 days before or after the date of the 2017 Annual Meeting of Shareholders, a reasonable time before we begin to print and send our proxy materials).

PROPOSALS UPON WHICH YOU MAY VOTE

- PROPOSAL 1 ELECTION OF DIRECTORS;
PROPOSAL 2 APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF CTS' NAMED EXECUTIVE OFFICERS; AND
PROPOSAL 3 ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON THE COMPENSATION OF CTS' NAMED EXECUTIVE OFFICERS
PROPOSAL 4 RATIFICATION OF THE APPOINTMENT OF GRANT THORNTON LLP AS CTS' INDEPENDENT AUDITOR FOR 2017.

Your Board recommends a vote FOR the director nominees, FOR advisory approval of CTS' named executive officer compensation, FOR maintaining the current annual frequency of advisory votes on named executive officer compensation, and FOR the ratification of the appointment of Grant Thornton LLP.

PROPOSAL 1: ELECTION OF DIRECTORS

CTS' Articles of Incorporation provide that the number of directors will be between three and fifteen, as fixed from time to time by the Board. As part of the succession planning and search process, the Nominating and Governance Committee and the Board regularly assess the Board's size. The Board has established the number of authorized directors at seven following the retirement of Mr. Ciancia immediately following the 2017 Annual Meeting of Shareholders. There are seven director nominees for election. Detailed information on each is provided below. All directors are elected annually and serve one year terms, or until their successors are elected and qualified. Nominees for the Board of Directors. Each director nominee named below is currently a director of CTS. The ages shown are as of April 5, 2017, the date of this proxy statement. Each director nominee has agreed to serve as a director if elected. If one or more of the nominees becomes unavailable for election, the remaining members of the Board will, in their sole discretion and pursuant to authority granted by the CTS Bylaws, nominate and vote for a replacement director or reduce the authorized number of directors.

WALTER S. CATLOW Director since 1999
Age 72

Mr. Catlow is the retired Dean of the College of Business at Concordia University. Mr. Catlow served as President of Ameritech Cellular Services, a wireless communications service provider, from 1998 until his retirement in 2000. Prior to that, Mr. Catlow served as Executive Vice President of Ameritech and as President of Ameritech International, Inc., where he directed Ameritech International's investments and was responsible for global acquisitions and alliances. The Board believes Mr. Catlow's experience in international business, his experience in the wireless communications infrastructure industry, and his experience as a top level executive make him well qualified to serve as a director.

PATRICIA K. COLLAWN Director since 2003
Age 58

Ms. Collawn is the Chairman, President and Chief Executive Officer of PNM

Resources, Inc., a multi state utilities corporation serving electricity customers. Ms. Collawn was named Chairman effective January 1, 2012, and President and Chief Executive Officer from March 1, 2010 to December 31, 2011. In March 2010, she was made a director of PNM Resources, Inc. She was President and Chief Operating Officer since August 2008 and Utilities President at PNM Resources, Inc. from June 2007 to August 2008. Prior to that, Ms. Collawn was President and Chief Executive Officer of Public Service Company of Colorado, an Xcel Energy, Inc. subsidiary, from October 2005. The Board believes that Ms. Collawn's experience as a sitting President and Chief Executive Officer of a publicly traded corporation, as well as substantial operations experience, make her well qualified to serve as a director.

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GORDON HUNTER Director Since 2011
Age 65

Mr. Hunter is the Executive Chairman of Littelfuse, Inc., a global electronics company. Between January 1, 2005 and January 1, 2017, Mr. Hunter served as Chairman, President and Chief Executive Officer of Littelfuse, where he had served as a director of since June 2002. Mr. Hunter joined Littelfuse as Chief Operating Officer in November 2003. He is currently a member of the Board of Directors of Veeco Instruments, Inc., where he serves on its Compensation Committee. Mr. Hunter also serves on the Board of Directors of Shure Corporation. The Board believes that Mr. Hunter's experience as a President and Chief Executive Officer of a publicly traded corporation serving global markets, as well as substantial experience in the electronics industry, make him well qualified to serve as a director.

WILLIAM S. JOHNSON Director Since 2015
Age 60

Mr. Johnson is Executive Vice President and Chief Financial Officer of Cabot Microelectronics Corporation, a global supplier of specialty materials to the semiconductor industry. He joined the company as Chief Financial Officer in April, 2003, and was named an Executive Vice President in April, 2013. Prior to 2003, he was Executive Vice President and Chief Financial Officer for Budget Group, Inc. from August 2000 to March 2003. Before that, Mr. Johnson worked for 16 years at BP Amoco in various finance and management positions. The Board believes that Mr. Johnson's experience as a sitting Chief Financial Officer of a publicly traded corporation serving global markets, in addition to his financial expertise in a range of industries, substantial risk management skills and broad international business experience, make him well qualified to serve as a director.

DIANA M. MURPHY Director since 2010
Age 60

Ms. Murphy is the Managing Director of Rocksolid Holdings, LLC, a private equity firm, serving in that capacity since January 2007. She was the managing director of the Georgia Research Alliance Venture Fund, a private investment fund created to help finance promising companies emerging from Georgia's research universities, serving in that capacity from 2012 until 2015. Prior to joining Rocksolid, she was a Managing Director at Chartwell Capital Management Company, a private equity firm. She is Chairman of the Board of Directors of Landstar System, Inc., and a Director of Georgia Research Alliance Venture Fund, LLC and the Coastal Bank of Georgia, along with other private and non-profit boards. She is President of the United States Golf Association and a member of the Executive Committee. The Board believes that Ms. Murphy's extensive experience in business management, strategic planning, marketing, public relations and experience on the boards of other companies make her well qualified to serve as a director.

KIERAN O'SULLIVAN Director since 2013
Age 55

Mr. O'Sullivan is the Chairman, President and Chief Executive Officer of CTS. Prior to assuming this role on January 7, 2013, Mr. O'Sullivan served as Executive Vice President of Continental AG's Global Infotainment and Connectivity Business and led the NAFTA Interior Division, having joined Continental AG, a global automotive supplier, in 2006. Mr. O'Sullivan is a member of the Board of Directors and the Compensation, Audit and Risk Committees of LCI Industries, a supplier of components for manufacturers of recreational vehicles, manufactured homes and for the related aftermarkets of those industries. The Board believes that Mr. O'Sullivan's over twenty six years of leadership experience in operations, strategy, mergers and acquisitions, and finance roles in the manufacturing services, electronics and automotive business segments make him well qualified to serve as a director.

ROBERT A. PROFUSEK Director since 1998
Age 67

Mr. Profusek is the global chairman of the mergers & acquisitions department of Jones Day, a global law firm which he joined in 1975. Mr. Profusek also serves as the Lead Director of Valero Energy Corporation and is a member of the Compensation Committee of Valero's Board of Directors. He previously served as a director of two other NYSE listed companies. The Board believes that Mr. Profusek's substantial experience in mergers and acquisitions, corporate governance and experience serving as a director of other publicly traded companies make him well qualified to serve as a director.

Your Board recommends a vote FOR each of these director nominees.

PROPOSAL 2: APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF CTS' NAMED EXECUTIVE OFFICERS

As required under the Dodd Frank Wall Street Reform and Consumer Protection Act and Section 14A of the Securities Exchange Act of 1934 ("Exchange Act"), our Board of Directors is submitting a "Say on Pay" proposal for shareholder consideration. The Compensation Discussion and Analysis section of this proxy statement describes CTS' executive compensation program and the compensation decisions made by the Compensation Committee and the Board in 2016 with

respect to our named executive officers. CTS is asking shareholders to cast an advisory shareholder vote approving the compensation of CTS' named executive officers (commonly referred to as a "say on pay" vote). Under current Board policy, the shareholder vote for advisory approval of named executive officer compensation will occur annually. The next such vote will occur at our 2018 Annual Meeting of Shareholders unless the frequency is changed as a result of the advisory vote on Proposal 3, or any other factors considered by the Board.

As we describe in the Compensation Discussion and Analysis section of this proxy statement, CTS' executive compensation program is designed to attract, retain, and motivate high quality executive talent, to provide executives with strong incentives to maximize CTS' performance, and to align executives' interests with those of shareholders. These goals are achieved through the application of a number of techniques, such as:

- balancing fixed pay versus incentive based compensation appropriately;
- selecting appropriate and broad based performance metrics;
- establishing reasonable performance thresholds;
- capping performance based compensation awards at certain maximum levels;
- requiring multiple year performance periods for certain performance based awards; and
- vesting a significant amount of equity compensation over multi year periods.

CTS remains committed to the use of broad based metrics such as earnings per share, strategic business unit operating earnings, sales growth and relative total shareholder return in measuring corporate performance.

For these reasons, the Board is asking shareholders to vote FOR the following resolution:

"RESOLVED, that the compensation of the named executive officers as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables, and any related material disclosed in the CTS 2017 proxy statement, is hereby approved."

While the advisory vote we are asking you to cast is non binding, the Compensation Committee and the Board value the views of our shareholders and expect to take into account the outcome of the vote when considering future compensation decisions for our named executive officers.

Your Board recommends a vote FOR the advisory approval of CTS' named executive officer compensation.

PROPOSAL 3: ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON THE COMPENSATION OF CTS' NAMED EXECUTIVE OFFICERS

In Proposal 2 above, shareholders are being asked to cast a non-binding advisory vote with respect to the compensation of CTS' named executive officers. This advisory vote is commonly referred to as a "say-on-pay" vote. In this Proposal 3, the Board is also, pursuant to Section 14A of the Exchange Act, asking shareholders to cast a non-binding advisory vote on how frequently say-on-pay votes should be held in the future. Shareholders are entitled to cast their votes on whether we should hold say-on-pay votes every one, two, or three years. Alternatively, you may abstain from casting a vote.

This advisory vote is not binding on the Board. The Board believes at this time the existing annual say-on-pay voting frequency best serves the interests of shareholders. However, the Board acknowledges that there are a number of points of view regarding the relative benefits of annual and less frequent say-on-pay votes. Accordingly, the Board intends to hold say-on-pay votes in the future in accordance with the alternative that receives the most shareholder support.

Your Board recommends a vote FOR an advisory vote on the compensation of CTS' named executives officers EVERY YEAR (1 YEAR).

**PROPOSAL 4: RATIFICATION OF APPOINTMENT OF GRANT THORNTON LLP
AS INDEPENDENT AUDITOR FOR 2017**

Grant Thornton LLP has served as CTS' independent auditor since June 2005 and has been appointed by the Audit Committee to continue as CTS' independent auditor for 2017. In the event that ratification of the appointment of Grant Thornton LLP as independent auditor for 2017 is not approved by the shareholders at the Annual Meeting, the Board will review the Audit Committee's future selection of independent auditors.

Representatives of Grant Thornton LLP will be present at the Annual Meeting. The representatives will be available to respond to appropriate questions. The representatives will also be afforded an opportunity to make such statements as they desire.

Your Board recommends a vote FOR ratification of the appointment of Grant Thornton LLP as independent auditor for 2017.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires CTS' directors, executive officers, and certain persons who own more than 10% of the outstanding shares of CTS common stock to file with the Securities and Exchange Commission ("SEC") and the NYSE initial reports of ownership and reports of changes in ownership of CTS common stock. Executive officers, directors and holders of at least 10% of the outstanding shares of CTS securities are required to furnish CTS with copies of all Section 16(a) reports they file. Based solely on written representations from reporting persons and on our review of Section 16(a) reports provided by those individuals, CTS believes that all required Section 16(a) filings were completed in a timely manner, or subsequently amended, for the year ended December 31, 2016.

COMMITTEES OF THE BOARD OF DIRECTORS

Directors are assigned to committees by the full Board each year following their election at the Annual Meeting. Compensation Committee

The Compensation Committee is a standing committee of the Board. Directors Collawn, Catlow, Hunter and Murphy are the current members of the Compensation Committee. Ms. Collawn is the Chairman of the Compensation Committee. Each member of the Compensation Committee is an independent director as defined by the NYSE Corporate Governance Listing Standards and the CTS Corporation Corporate Governance Guidelines. The Compensation Committee held three meetings in 2016. A copy of the Compensation Committee Charter may be obtained free of charge from CTS' website at <http://www.ctscorp.com/wp-content/uploads/CC.pdf>.

The Compensation Committee establishes executive compensation policies and reviews and approves senior executive compensation. The Chief Executive Officer recommends to the Compensation Committee the form and level of compensation for each named executive officer other than himself. The Compensation Committee reviews and approves corporate goals and objectives relevant to the named executive officer's, including the Chief Executive Officer's compensation, evaluates the Chief Executive Officer's performance against those objectives, and makes recommendations to the Board regarding the Chief Executive Officer's compensation. The Compensation Committee does not delegate authority to perform any of the foregoing functions with respect to the compensation of any named executive officer. The Compensation Committee also administers the CTS Corporation 2014 Performance and Incentive Compensation Plan, and the annual equity and non equity performance programs. In addition, the Compensation Committee reviews director compensation annually and makes recommendations regarding director compensation to the Board for approval. The Compensation Committee also conducts an annual evaluation of its own performance for the fiscal year.

The Compensation Committee may, from time to time, direct senior functionaries of the Company's human resources department to research specific issues and make recommendations to the Compensation Committee. In addition, for 2016, the Compensation Committee engaged Compensation Strategies as its compensation consultant. The Compensation Committee has assessed the independence of Compensation Strategies, as required under stock exchange listing requirements. The Compensation Committee has also considered and assessed all relevant factors, including those required by the SEC, that could give rise to a potential conflict of interest with respect to Compensation Strategies during 2016. Based on this review, the Compensation Committee did not identify any

conflict of interest raised by the work performed by Compensation Strategies.

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Compensation Committee Interlocks and Insider Participation. Directors Collawn, Catlow, Hunter and Murphy were appointed to the Compensation Committee following their election to the Board at CTS' 2016 Annual Meeting of Shareholders. During 2016, no executive officer of CTS served as a director of any other entity for which any CTS director was an executive officer.

Nominating and Governance Committee

The Nominating and Governance Committee is a standing committee of the Board. Directors Murphy, Ciancia, Collawn and Johnson are the current members of the Nominating and Governance Committee. Ms. Murphy is the Chairman of the Nominating and Governance Committee. Mr. Ciancia will retire immediately following the 2017 Annual Meeting. Each member of the Nominating and Governance Committee is an independent director as defined by the NYSE Corporate Governance Listing Standards and the CTS Corporation Corporate Governance Guidelines. The Nominating and Governance Committee held two meetings in 2016. A copy of the Nominating and Governance Committee Charter may be obtained free of charge from CTS' website at <http://www.ctscorp.com/wp-content/uploads/NGCC.pdf>.

The Nominating and Governance Committee reviews and makes recommendations to the Board concerning committee assignments and director nominees for election at the Annual Meeting. The Nominating and Governance Committee reviews and makes recommendations to the full Board regarding CTS officers for election and succession, including succession planning for the Chief Executive Officer. The Nominating and Governance Committee also develops the CTS Corporation Corporate Governance Guidelines for the approval of the Board and makes recommendations on matters of corporate governance. The Nominating and Governance Committee considers potential director nominees identified by management and by non-management directors. CTS' Bylaws describe the process for nominating a candidate for election to the Board at the Annual Meeting. CTS does not have a formal policy concerning whether the Nominating and Governance Committee will consider director nominees submitted by shareholders. CTS did not receive any shareholder director nominees for election at the 2017 Annual Meeting. At this time, the Board does not believe a formal policy regarding shareholder director nominees is necessary since CTS' Bylaws provide a process for nomination of directors and no shareholder nominations for director have been received in past years.

The Nominating and Governance Committee reviews with the Board, on an annual basis, the requisite skills and director characteristics of any new members as well as the composition of the Board as a whole. This review includes an assessment of whether each non-management director qualifies as independent and an assessment of the diversity, age, skills, and experience of the directors in the context of the needs of the Board. Although the Nominating and Governance Committee has not established any specific minimum criteria or qualifications that a candidate must possess, the Nominating and Governance Committee seeks a diverse selection of candidates who possess the experience necessary to make a valuable contribution to the Board. The Board construes the notion of diversity broadly, considering differences in viewpoint, professional experience, education, skills, and other individual qualities, in addition to race, gender, and national origin. The Board does not have a formal diversity policy, but considers diversity as one criteria evaluated as a part of the total package of attributes and qualifications a particular candidate possesses. The Board believes that its efforts to foster a diverse board have been effective; while all directors are skilled in business, a variety of points of view, educational backgrounds, and experiences are represented on the Board. The Nominating and Governance Committee may retain search firms for the purpose of identifying and evaluating director candidates.

Audit Committee

The Audit Committee is a standing committee of the Board. Directors Ciancia, Catlow and Johnson are the current members of the Audit Committee. Mr. Johnson is the Chairman of the Audit Committee. As a result of Mr. Ciancia's retirement, the Nominating and Governance Committee has recommended, and the Board has nominated Mr. Hunter to serve on the Audit Committee following Mr. Ciancia's retirement and Mr. Hunter's election at the 2017 Annual Meeting. Each member of the Audit Committee is financially literate and meets the independence standards applicable to audit committee members under the NYSE Corporate Governance Listing Standards, as well as the CTS Corporation Corporate Governance Guidelines and the Audit Committee Charter. The Board has determined that Mr. Johnson qualifies as an audit committee financial expert under the criteria set forth in Item 407(d)(5)(ii) of

Regulation S K.

The Audit Committee held eight meetings in 2016. A copy of the Audit Committee Charter may be obtained free of charge from CTS' website at <http://www.ctscorp.com/wp-content/uploads/ACC.pdf>.

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The Audit Committee is responsible for appointing the independent auditor, approving engagement fees and non-audit engagements, and reviewing the independence and quality of the independent auditor. The Audit Committee reviews audit plans, audit reports, and recommendations of the independent auditor and the internal audit department. The Audit Committee reviews systems of internal accounting controls and audit results. The Audit Committee also reviews and discusses with management CTS' financial statements, earnings releases and earnings guidance. In addition, the Audit Committee reviews CTS' compliance with public company regulatory requirements and the CTS Code of Ethics.

Technology and Transactions Committee

The duties and responsibilities of the Technology and Transactions Committee are to:

- review CTS' technology strategy, new product development program, and performance in the context of targeted market segments and the Company's strategic goals;
- review the Company's organic development of technology and opportunities to acquire technology directly or through business acquisition or combination transactions;
- review key technology initiatives, their expected benefits and impact on the Company's strategy and timelines for implementation;
- review existing and future trends and threats in technology that may impact the Company's strategy;
- review on a preliminary basis possible acquisitions, divestitures or other transactions identified by management for possible consideration by the full board; and
- report activities of the Committee to the full Board.

Directors Hunter, Catlow, O'Sullivan and Profusek are the current members of the Technology and Transactions Committee with Mr. Hunter as the Chairman.

The Technology and Transactions Committee held two meetings in 2016. A copy of the Technology and Transactions Committee Charter may be obtained free of charge from CTS' website at <http://www.ctscorp.com/wp-content/uploads/TTC.pdf>.

FURTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS

Attendance

During 2016, the Board held four meetings and took action by unanimous written consent one time. In 2016, all of the directors attended at least 75% of the meetings of the Board and the standing committees of which they were then members, either in person or by phone. It is the policy of the Board that each director endeavor to attend each Annual Meeting of Shareholders, unless exigent circumstances arise. Each director standing for re-election at the 2016 Annual Meeting of Shareholders attended that meeting.

Director Independence

The CTS Corporation Corporate Governance Guidelines provide that an independent director is one who:

- is not an employee of CTS and has not been an employee of CTS for at least five years;
- is not an affiliate of CTS other than in the capacity as a director, and has not been an affiliate of CTS for at least five years;
- is not an employee or affiliate of CTS' present auditing firm or an auditing firm retained by CTS within the past five years and has not been an employee or affiliate of such a firm for at least five years;
- is not an employee of a company on whose board an executive of CTS presently serves as a director or has served as a director within the past five years and has not been an employee of such a company for at least five years;

- Is not an employee of a company that accounts for at least 2% or \$1 million, whichever is greater, of CTS' consolidated gross revenues, and has not been an employee of such a company for at least five years;
- Is not an employee of any company which made payments to or received payments from CTS which exceeded 2% or \$1 million, whichever is greater, of that company's consolidated gross revenues, and has not been an employee of such a company for at least five years;
- Is not an employee or director of any company that makes direct material investments or trades in CTS stock or that regularly advises investors concerning CTS stock;
- Does not presently receive any direct or material indirect compensation from CTS other than compensation attributable to the director's service as a member of the Board and its committees;
- Has not received more than \$10,000 per year in direct compensation from CTS during the past five years, excluding compensation attributable to the director's service as a member of the Board and its committees;
- Does not have any other relationship with CTS or any other entity, including charitable and civic organizations that in the opinion of the Board could be considered to effect the director's ability to exercise his independent judgment as a director; and
- Is not an immediate family member of any individual who would fail to meet the criteria for independence set forth above.

For purposes of determining whether a director has a material relationship with CTS apart from his or her service as a director, the Board has determined that CTS' purchase of regulated electric and gas service from a utility company does not constitute a material relationship.

Additionally, for purposes of determining whether a director has a material relationship with CTS apart from his or her service as a director, any transaction that is not required to be disclosed pursuant to Item 404(a) of Regulation S-K shall be deemed categorically immaterial. A copy of the CTS Corporation Corporate Governance Guidelines may be obtained free of charge from CTS' website at <http://www.ctscorp.com/wp-content/uploads/CGG.pdf>.

The Board has determined that each non-management director is or was an independent director and has or had no material relationship with CTS, apart from his or her service as a director. The Board made this determination by reference to the definition of an independent director contained in the NYSE Corporate Governance Listing Standards and by reference to the standards set forth in the CTS Corporation Corporate Governance Guidelines, as described above. As a result, the Board concluded that Walter S. Catlow, Lawrence J. Ciancia, Patricia K. Collawn, Gordon Hunter, William S. Johnson, Diana M. Murphy and Robert A. Profusek are each independent directors.

CTS does not have a specific written policy regarding transactions with related persons. However, CTS does have written policies and procedures regarding conflicts of interest. The CTS Corporation Corporate Governance Guidelines provide that the Nominating and Governance Committee shall review any transaction that might be construed to disqualify a director as independent (including any transactions that are required to be reported under Item 404(a) of Regulation S-K) and, if appropriate, make a recommendation that the Board approve such transaction. The Board would then review and, if appropriate, approve such transaction. The Nominating and Governance Committee Charter further provides that the Nominating and Governance Committee shall review any potential director conflict of interest and recommend appropriate action to the Board.

Meetings of Non-Management Directors

It is the policy of the Board to hold an independent session excluding management directors at each regular scheduled Board meeting. In 2016, an independent session was held at each regular Board meeting. The Lead Independent Director of the Board presides over the independent sessions.

Board Leadership Structure

CTS does not have a policy as to whether the role of Chief Executive Officer and Chairman of the Board should be separate or combined, or whether the Chairman should be a management or non-management director. In the recent past, the

Board has been structured with an independent or non management director as Chairman and alternatively structured with a combined Chairman/Chief Executive or Executive Chairman and Chief Executive Officer. Currently, Mr. O'Sullivan serves as Chairman of the Board, President and Chief Executive Officer and Mr. Profusek serves as Lead Director. Mr. O'Sullivan is the only CTS director who is not independent. He does not receive any additional compensation for his service on the Board.

The Lead Independent Director is the leader of the independent directors, and leads all sessions of independent directors, which normally occur at the end of each Board meeting. A full description of his duties is as follows:

- Preside at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
- Approve meeting agendas and schedules for the Board;
- Review key strategic initiatives presented to the Board;
- Serve as a liaison between the Chairman and the independent directors. To that end, ensure personal availability for consultation and communication with independent directors and with the Chief Executive Officer, as appropriate;
- Call special meetings of the independent directors, as the Lead Independent Director may deem to be appropriate;
- Be available, at the request of major shareholders, for consultation and direct communication. Respond directly to shareholder and other stakeholder questions and comments that are directed to the Lead Independent Director or to the independent directors as a group, consulting on such with the Chief Executive Officer or other directors as the Lead Independent Director may deem appropriate;
- Act as a sounding board for the Chief Executive Officer and/or independent directors with respect to strategies, plans, organization, relationships, accountabilities, and other issues;
- Between regularly scheduled Board meetings discuss with the Chief Executive Officer key corporate risks and current issues and plans for presentations on such to the full Board or its committees;
- Lead the independent directors in appraising the Chief Executive Officer's performance at least annually; and
- Lead the directors in appraising the Board's performance at least annually.

The General Counsel and Corporate Secretary's Office provides support to the Lead Independent Director in fulfilling his role. The Lead Independent Director receives an annual retainer of \$20,000, in addition to his ordinary director compensation, for the additional services the Lead Independent Director provides. The Board has established this leadership structure because the Board believes it is effective, efficient, appropriate to CTS' size and complexity, and represents a cost effective allocation of responsibilities.

Contrasting with the cost and efficiency benefits is the desire to ensure that control over both management and corporate governance is not overly invested in one person. The Board is confident that, as currently constituted, it will provide ample counterbalance to a combined Chairman and Chief Executive Officer and that it continues to provide suitable independent oversight of management. The independent directors on the Board are all accomplished professionals possessing substantial business and business related experience. Additionally, most have served on the Board for a number of years. As discussed above, the independent directors meet in separate session excluding management at each regular meeting of the Board. Further, any director has the right to submit items to be heard at any Board meeting. Lastly, the independent directors outnumber the one non independent director, the combined Chairman and Chief Executive Officer, by a large supermajority.

Board of Directors' Role in Risk Oversight

As a part of its oversight function, the Board monitors how management operates the Company. Risk is an important part of deliberations at the Board and committee levels throughout the year. Committees consider risks associated with their particular areas of responsibility. For example, the Audit Committee evaluates risk associated with accounting, financial reporting,

and legal compliance as it reviews those functions, and the Compensation Committee considers compensation related risks and risk mitigation when it sets compensation levels and structures compensation policies. In addition, as a whole the Board considers risks affecting the Company. To that end, the Board conducts periodic reviews of corporate risk management policies and procedures and annually reviews risk assessments prepared by management as a part of CTS' enterprise risk management process. The enterprise risk management process evaluates CTS' major risk exposures and the steps management has taken to monitor and mitigate these exposures. Therefore, the Board and its committees consider, among other items, the relevant risks to CTS when granting authority to management and approving business strategies. The Board has utilized this risk management structure for a number of years. Although the Board retains the right to make changes in risk oversight responsibilities from time to time, the Board anticipates that the risk management responsibilities will continue in a substantially similar manner as described above, whether or not the Board's leadership structure changes.

Director Education

The CTS Corporation Corporate Governance Guidelines encourage all directors to participate in director continuing education programs. CTS reimburses directors for attendance at such programs. In addition, management monitors and reports to the directors regarding significant corporate governance initiatives. The directors also receive a presentation on new developments in corporate governance at least annually.

Stock Ownership Guidelines

The Board has adopted stock ownership guidelines that apply to non employee directors and executives in order to increase the alignment of their interests with those of shareholders and promote enduring shareholder value. Specifically, our Chief Executive Officer is required to hold a number of share units equal to five times (5x) his base salary, our directors are required to hold a number of share units equal to five times (5x) their annual base cash retainer, and named executive officers (as that term is defined by the Securities and Exchange Commission) other than the Chief Executive Officer are required to hold a number of share units equal to three times (3x) their base salaries. Until such time as a named executive officer or Chief Executive Officer has attained the applicable share ownership guideline, he or she is expected to retain 100% of the share units awarded to him or her, net of amounts required to pay taxes and exercise prices. Thereafter, the named executive officer or Chief Executive Officer is expected to retain, for a period of at least two (2) years, at least 50% of the total share units with which he or she is credited as a result of equity awards made by CTS subsequent to the date on which the applicable share ownership guideline is attained, net of amounts required to pay taxes and exercise prices. Similar to the named executive officers and Chief Executive Officer, until such time as a director has attained the applicable share ownership guideline, he or she is expected to retain 100% of the share units awarded to him or her. Thereafter, he or she is expected to retain, for a period of at least two (2) years, at least 50% of the total share units with which he or she is credited as a result of equity awards made by CTS subsequent to the date on which the applicable share ownership guideline level is attained; provided, however, that this requirement will terminate upon retirement. The guidelines require that each director, Chief Executive Officer and named executive officer attain the applicable share unit ownership within six years of his or her initial election or appointment.

As part of CTS' commitment to paying for performance and to ensuring that the interests of executives are aligned with those of shareholders, CTS also requires that vice presidents (other than named executive officers) reporting to the Chief Executive Officer hold share units with a value equal to one times (1.0x) annual base salary. This share ownership guideline level will be recalculated whenever the vice president receives an increase in base salary. Until such time as the vice president has attained this share ownership guideline, he or she is expected to retain 50% of the share units awarded to him or her, net of amounts required to pay taxes and exercise prices. Prior to any sale of shares, the vice president must consult with the Chief Executive Officer and General Counsel.

The guidelines are administered by the Compensation Committee. A copy of the guidelines may be obtained free of charge from CTS' website at <http://www.ctscorp.com/wp-content/uploads/SOG.pdf>.

Director Resignation Policy

The Board of Directors has adopted a director resignation policy, which designates the circumstances under which a director must offer his or her resignation to the Board. Directors are expected to offer to resign from the Board when they change employment or when the major responsibilities they held when they joined the Board change. Such

director may not necessarily leave the Board, but this policy provides an opportunity for the Board to review the appropriateness of his or her continued service.

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Additionally, any nominee for director in an uncontested election as to whom a majority of the shares of the Company that are outstanding and entitled to vote in such election are designated to be “withheld” from or are voted “against” his or her election shall immediately tender his or her resignation, and the Board will decide, through a process managed by the Nominating and Governance Committee and excluding the nominee in question, whether to accept the resignation at its next regularly scheduled Board meeting. The Board will evaluate the best interests of CTS and its shareholders and may consider any factors it deems relevant in deciding whether to accept a director’s resignation.

Finally, the Guidelines require that a director tender his or her resignation effective as of the next occurring Annual Meeting of Shareholders after the date on which he or she reaches the age of 75. The Nominating and Governance Committee may recommend to the full Board that an exception be made to this policy. The Board will evaluate the best interests of CTS and its shareholders and may consider any factors it deems relevant in deciding whether to accept a director's resignation.

Code of Ethics

CTS has adopted a Code of Ethics that applies to all CTS employees, including the principal executive officer, the principal financial officer, the principal accounting officer and/or controller, and all other executive officers and non employee directors. The Code of Ethics includes ethical standards concerning conflicts of interest and potential conflicts of interest. With respect to executive officers and other employees, potential conflicts of interest must be reported to management. The Audit Committee is responsible for reviewing compliance with the Code of Ethics and reviews any potential conflict of interest involving an executive officer. A copy of the Code of Ethics may be obtained free of charge from the Corporate Secretary upon request or from CTS’ website at <http://www.ctscorp.com/wp-content/uploads/CE.pdf>.

Communications to Directors

Shareholders and other interested parties may address written communications to individual directors, including non management directors, or to the Board as a whole, by writing to the Corporate Secretary at CTS’ executive offices located at 2375 Cabot Drive, Lisle, Illinois 60532. All communications from shareholders must include the name and address of the shareholder as it appears on the record books of CTS and the name and address of the beneficial owner, if any, on whose behalf the communication is submitted. The Corporate Secretary will compile such communications and forward them to the directors on a periodic basis. However, the Corporate Secretary has authority to disregard any communication that is primarily an advertisement or solicitation or is threatening, obscene, or similarly inappropriate in nature. Communications that have been disregarded for these reasons may be reviewed by any non management director upon request.

STOCK OWNERSHIP INFORMATION

Five Percent Owners of CTS Common Stock

The table below lists information about the persons known by CTS to beneficially own at least 5% of the outstanding shares of CTS common stock as of December 31, 2016, unless a different date is indicated below. There were 32,762,494 shares of CTS common stock issued and outstanding as of December 31, 2016. Except as otherwise noted below, the information below is derived solely from the most recent Schedules 13F or 13G, and amendments thereto, filed with the Securities and Exchange Commission.

NAME AND ADDRESS	NUMBER OF SHARES	PERCENT OF CLASS
BlackRock, Inc. ⁽¹⁾ 55 East 52nd Street New York, New York 10022	3,678,740	11.2%
GAMCO Investors, Inc. ⁽²⁾ One Corporate Center Rye, New York 10580	3,242,044	9.9%
Dimensional Fund Advisors LP ⁽³⁾ Building One 6300 Bee Cave Road Austin, Texas 78746	2,777,240	8.5%
Wellington Management Group LLP ⁽⁴⁾ 280 Congress Street Boston, Massachusetts 02210	2,363,773	7.2%
Janus Capital Management LLC ⁽⁵⁾ 151 Detroit Street Denver, Colorado 80206	1,793,878	5.5%
The Vanguard Group ⁽⁶⁾ 100 Vanguard Blvd. Malvern, Pennsylvania 19355	1,664,413	5.1%

(1) As reported on Schedule 13G filed on January 9, 2017, BlackRock, Inc., a parent holding company, has sole voting power with respect to 3,611,638 shares and sole dispositive power with respect to 3,678,740 shares.

As reported on Schedule 13F filed on January 24, 2017, GAMCO Investors, Inc., Gabelli Funds, LLC and their affiliates have sole voting power with respect to 3,029,444 shares and sole dispositive power with respect to 3,242,044 shares. The Reporting Persons beneficially own those shares as follows: GAMCO Investors, Inc. had sole voting power with respect to 2,235,444 shares and sole dispositive power with respect to 2,448,044; and Gabelli Funds LLC has sole voting and dispositive power with respect to 794,000 shares.

(3) As reported on Schedule 13G filed on February 9, 2017, Dimensional Fund Advisors LP has sole voting power with respect to 2,756,331 and sole dispositive power with respect to 2,777,240 shares. Dimensional Fund Advisors LP disclaims beneficial ownership of these shares, which are owned by funds for which it acts as investment manager.

(4) As reported on Schedule 13G filed on February 19, 2017, Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP, and Wellington Management Company LLP have shared voting power with respect to 1,842,507 shares and shared dispositive and voting power with respect to 2,363,773 shares.

(5) As reported on Schedule 13G filed on February 13, 2017, Janus Capital Management LLC has sole voting and dispositive power with respect to 1,793,878 shares. Janus Capital Management LLC also reported that it did not have the right to receive any dividends from, or the proceeds from the sale of, the shares and disclaims any ownership associated with such rights.

(6) As reported on Schedule 13G filed on February 9, 2017, The Vanguard Group has sole voting power with respect to 38,150 shares; shared voting power with respect to 8,433 shares; sole dispositive power with respect to 1,619,497 shares; and shared dispositive power with respect to 44,916 shares.

Directors' and Officers' Stock Ownership

The following table shows the number of shares of CTS common stock each named executive officer and director, beneficially owned as of March 20, 2017, including shares of CTS common stock covered by stock options exercisable within 60 days of March 20, 2017. Please note that, as reported in this table, beneficial ownership includes those shares of CTS common stock a director or officer has the power to vote or transfer, as well as shares of CTS common stock owned by immediate family members that reside in the same household with the director or officer. The shares of CTS common stock shown as beneficially owned by all current directors and officers do not include 653,900 shares of CTS common stock held as of March 20, 2017, by the Northern Trust Company as Trustee of the CTS Corporation Master Retirement Trust. The CTS Corporation Benefit Plan Investment Committee has voting and investment authority over those shares of CTS common stock.

Name	Beneficially Owned Shares ⁽¹⁾	Options Exercisable within 60 days	Shares Held in 401(k)	Directors' Deferred Common Stock Units ⁽²⁾	Total ⁽³⁾	% of Shares Outstanding
Ashish Agrawal	27,071	—	—	0	27,071	*
Walter S. Catlow	55,539	—	—	4,098	59,637	*
Lawrence J. Ciancia	69,756	—	—	16,365	86,121	*
Patricia K. Collawn	60,420	—	—	800	61,220	*
Gordon Hunter	30,700	—	—	0	30,700	*
William S. Johnson	8,500	—	—	0	8,500	*
Luis F. Machado	4,691	—	—	0	4,691	*
Diana Murphy	31,700	—	—	0	31,700	*
Kieran O'Sullivan	204,355	—	—			