

PULSE ELECTRONICS CORP  
Form PREC14A  
March 24, 2011

**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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**PULSE ELECTRONICS CORPORATION**

(Name of Registrant as Specified In Its Charter)

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

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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:

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**Notice of Annual Shareholders Meeting**

**May 18, 2011**

Our annual shareholders meeting will be held on Wednesday, May 18, 2011, at 10 AM (PDT) at the offices of Pulse Electronics Corporation at 12220 World Trade Drive, San Diego, CA 92128. At the meeting, we plan to ask you to:

- 1) Approve amendments to our Articles of Incorporation and By-Laws to provide for plurality voting in contested director elections;
- 2) Elect six directors for a one year term;
- 3) Provide an advisory vote on executive compensation;
- 4) Provide an advisory vote on the frequency of holding an advisory vote on executive compensation; and
- 5) Transact any other business as may properly come before the meeting.

If you were a shareholder at the close of business on March 4, 2011, you may vote at the meeting.

As you may know, Bel Fuse Inc. has indicated that it intends to propose two alternative director nominees for election at the annual meeting in opposition to the nominees recommended by your Board of Directors. We urge you to vote for the nominees recommended by your Board of Directors C. Mark Melliar-Smith, Howard C. Deck, Ralph E. Faison, Justin C. Choi, Steven G. Crane and Lawrence P. Reinhold using the WHITE proxy card. If you receive a proxy card from Bel Fuse, we urge you not to return that proxy card.

By order of the Board of Directors,

Brian E. Morrissey  
*Corporate Secretary*

San Diego, California  
April , 2011

**Please Vote Your vote is important.**

Please return the enclosed proxy as soon as possible in the envelope provided.

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**Proxy Statement  
Annual Shareholders Meeting  
Wednesday, May 18, 2011**

**Introduction**

**This proxy statement is distributed on behalf of our Board of Directors.** We are sending it to you to solicit proxies for voting at our 2011 annual meeting. The meeting will be held at the offices of Pulse Electronics Corporation, 12220 World Trade Drive, San Diego, CA 92128. The meeting is scheduled for Wednesday, May 18, 2011, at 10 AM (PDT). If necessary, the meeting may be continued at a later time. This proxy statement, the proxy card and a copy of our annual report have been mailed by \_\_\_\_\_, 2011 to our shareholders of record as of March 4, 2011. Our annual report includes our consolidated financial statements for 2009 and 2010.

The following section includes answers to questions that are frequently asked about the voting process.

**Q: How many votes can I cast?**

**A:** Holders of common stock as of March 4, 2011 are entitled to one vote per share on all proposals considered at the annual meeting. In the election of directors, you may cumulate your votes.

**Q: What is cumulative voting?**

**A:** For the election of directors, cumulative voting means that you can multiply the number of votes to which you are entitled by the total number of directors to be elected. You may then cast the whole number of votes for one candidate or distribute them among any two or more candidates in any proportion. Unless you indicate otherwise on the proxy card, Ralph E. Faison and Drew A. Moyer, the proxies, will be able to vote cumulatively for the election of directors. If you want to vote in person and use cumulative voting for electing directors, you must notify the chairman of the annual meeting prior to voting.

**Q: How do I vote?**

**A:** You may vote by telephone, over the Internet or by signing, dating and returning your WHITE proxy card in the postage-paid envelope provided. If you are a registered shareholder or have a legal proxy from your custodian, you may vote in person at the meeting.

**Q: How do I vote if I hold shares in the Pulse Electronics 401(k) plan?**

**A:** If you are a participant in our 401(k) plan, the enclosed WHITE proxy card will serve to direct Fidelity Management Trust Company, as trustee of our 401(k) plan, how to vote the shares of our common stock attributable to your individual account. Fidelity will vote shares as instructed by participants. If you do not provide voting directions to Fidelity by \_\_\_\_\_ p.m. [Eastern] Time on \_\_\_\_\_, 2011, the shares attributable to your account will be voted in the same proportion as votes received from other participants in the 401(k) plan.

**Q: What vote is necessary to approve each of the proposals?**

**A:** Approval of proposal 1, the amendments to our Articles of Incorporation and Bylaws, requires the affirmative vote of a majority of the votes cast on the proposal. An abstention or a broker non-vote is not a vote cast and will not affect the number of votes required to approve the proposal.

For the election of directors in proposal 2, each director will be elected by the vote of the majority of votes cast with respect to that director nominee, unless the election of directors is contested and proposal 1 is approved at the meeting. If the election of directors is contested and proposal 1 is approved at the meeting, the director nominees receiving the highest number of votes, up to the number of directors to be elected, will be elected (a plurality vote). We believe the election of directors at the meeting may be contested.

For proposal 3, our shareholders will have an advisory vote on executive compensation. Because the vote is advisory, it will not be binding on our Board of Directors. However, the Board of Directors and the Compensation Committee will consider the result of the vote when making future decisions regarding our executive compensation policies and practices.

For proposal 4, our shareholders will have an advisory vote on the frequency of future advisory votes on executive compensation. Shareholders may vote for such advisory votes to occur every one, two or three years, or may abstain from voting. The vote is advisory and therefore not binding on our Board of Directors. However, the Board of Directors will consider the result of the vote in determining the frequency of future advisory votes on executive compensation.

**Q: Are proxy materials available on the Internet?**

A: Yes. Please see the notice below:

**Important notice regarding the availability of proxy materials  
for the annual shareholder meeting to be held on May 18, 2011.**

**Our Proxy Statement and 2010 Annual Report are available on our Web site at  
<http://www.pulseelectronics.com/investors/proxymaterials.htm>.**

**Q: What if I receive proxy materials from Bel Fuse?**

A: Bel Fuse Inc. has notified us that it intends to propose alternative director nominees for election at the annual meeting in opposition to the nominees recommended by your Board of Directors. As a result, you may receive proxy solicitation materials sent on behalf of Bel Fuse, including an opposition proxy statement and a proxy card. We urge you not to return any proxy card provided by Bel Fuse. Nominations made by Bel Fuse are NOT endorsed by your Board of Directors.

In order to vote for the nominees recommended by your Board of Directors Justin C. Choi, Steven G. Crane, Lawrence P. Reinhold, C. Mark Melliar-Smith, Howard C. Deck and Ralph E. Faison you should use the WHITE proxy card delivered to you along with these proxy materials.

Your Board of Directors recommends that you DO NOT sign or return any proxy card that may be provided to you by Bel Fuse. Voting against or withholding authority from the Bel Fuse nominees on the Bel Fuse proxy card is not the same as voting for the nominees recommended for election by your Board of Directors.

If you vote using a proxy card provided to you by Bel Fuse, you may change your vote by using the WHITE proxy card to vote by telephone or internet, or by signing, dating and returning the WHITE proxy card in the postage-paid envelope provided. ONLY YOUR LATEST DATE PROXY WILL BE COUNTED.

**Q: How will the proxies be voted?**

**A:** Proxies signed and received in time will be voted in accordance with your directions. Unless otherwise directed, the shares will be voted *for* the amendments to our Articles of Incorporation and By-Laws, *for* the election of the nominated directors recommended by the Board of Directors, *for* the advisory vote on executive compensation and for a *one year* frequency on holding an advisory vote on executive compensation.

The granting of a proxy by return of a signed proxy card or voting instruction card without providing instructions about cumulative voting will give the designated proxy holders discretionary authority to exercise cumulative voting. In exercising cumulative voting, the proxy holders may cast the shareholder's votes in favor of the election of some or all of the nominees in the discretion of the proxy holders, except that none of the shareholder's votes will be cast for any nominee the shareholder has given instructions to vote against or abstain

from voting. If a shareholder does not wish to grant the proxy holders authority to cumulate the shareholder's votes in the election of directors, the shareholder must state this objection on the shareholder's proxy card or voting instruction card, as applicable.

If you later wish to revoke your proxy, you may do so by notifying our Corporate Secretary in writing prior to the vote at the meeting. If you timely revoke your proxy by notifying our Corporate Secretary in writing, you can still vote in person at the meeting.

**Q: What constitutes a quorum?**

**A:** The holders of a majority of our outstanding shares entitled to vote, present in person or by proxy, represent a quorum for the conduct of business at the annual meeting. Abstentions are counted as present for establishing a quorum so long as the shareholder has executed a valid proxy or is physically present at the meeting.

**Q: What is the impact of broker non-votes and abstentions?**

**A:** Broker non-votes are proxies where the broker or nominee does not have discretionary authority to vote shares on the matter. Under the rules that govern brokers and nominees who have record ownership of shares that are held in street name for account holders (who are the beneficial owners of the shares), brokers typically have the discretion to vote such shares on routine matters, but not on non-routine matters. If a broker has not received voting instructions from an account holder and does not have discretionary authority to vote shares on a particular item, a broker non-vote occurs. Abstentions and broker non-votes have no effect on the outcome of the vote for the election of directors or on the votes to approve the amendments to our Articles of Incorporation and By-Laws because only the number of votes cast is relevant. We believe that all of the agenda proposals are non-routine matters under New York Stock Exchange rules and brokers will not have discretionary authority. Accordingly, if an account holder does not provide its broker with voting instructions, a broker non-vote will occur on these agenda proposals.

**Q: How many shares are outstanding?**

**A:** There are 41,618,607 shares of common stock entitled to vote at the annual meeting. This was the number of shares outstanding on March 4, 2011. There are no other classes of stock outstanding and entitled to vote.

**Q: Who pays for soliciting the proxies?**

**A:** Pulse will pay the cost of soliciting proxies for the annual meeting, including the cost of preparing, assembling and mailing the notice, proxy card and proxy statement. We may solicit proxies by mail, over the Internet, telephone, facsimile, through brokers and banking institutions, or by our officers and regular employees. We have retained Innisfree M&A Incorporated to aid in the solicitation of proxies from individuals, brokers, bank nominees and other institutional holders for a fee of \$200,000 plus expenses.

## **DISCUSSION OF MATTERS FOR VOTING**

### **Proposal 1 Amendments to our Articles of Incorporation and By-Laws to adopt a plurality voting standard for contested director elections**

#### **Factual Background**

Our Board recommends that shareholders approve amendments to our Amended and Restated Articles of Incorporation and Amended and Restated By-Laws to provide for the election of directors by plurality voting in a



contested election of directors. Under our current governing documents, each person nominated for election as a director must be elected by a majority of the votes cast for that nominee. This requirement currently applies to both uncontested and contested director elections. The proposed amendment would not affect the majority vote requirement for uncontested director elections.

A majority of the votes cast for the election of a director nominee means the number of votes cast for the nominee's election exceeds the number of votes cast against the nominee's election. In the case of a contested election where there are more director nominees than open positions for director, majority voting could result in a

failed election with no nominee being elected at a shareholders meeting. In those circumstances, under Pennsylvania law, an incumbent director who is not reelected would nonetheless continue in office because no successor has been elected.

To address this situation, the Board has approved amendments to our Amended and Restated Articles of Incorporation and to our By-Laws to provide for an exception to the majority voting requirement in the case of a contested director election. In the case of a contested director election, the directors would be elected by a plurality of the votes cast. Under plurality voting, the nominees receiving the highest number of votes up to the number of directors to be elected would be elected.

The Board believes that a plurality voting standard is more appropriate for contested director elections and is consistent with modern corporate governance trends and the policy of major shareholder advisory firms.

### **Proposed Amendments**

With the approval of our shareholders, the following resolutions will be adopted to provide for plurality voting in contested director elections:

1. The adoption of an amendment to the Amended and Restated Articles of Incorporation of the Company is hereby approved to add a new Article NINTH to read as follows:

NINTH: Each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, then the nominees receiving the highest number of votes up to the number of directors to be elected shall be elected. For purposes of this Article, a majority of the votes cast means that the number of shares voted for a director nominee must exceed the number of votes cast against that director nominee (excluding abstentions).

2. The Amended and Restated By-Laws are hereby amended by revising Section 9 of Article II to read as follows (proposed new text is underlined and proposed deleted text is stricken):

Section 9. Each shareholder shall at every meeting of the shareholders be entitled to one vote in person or by proxy for each share having voting power held by such shareholder, but no proxy shall be voted on or after three years from its date, unless coupled with an interest, and, except where the transfer books of the corporation have been closed or a date has been fixed as a record date for the determination of its shareholders entitled to vote, transferees of shares which are transferred on the books of the corporation within ten days next preceding the date of such meeting shall not be entitled to vote at such meeting. In each election for directors, every shareholder entitled to vote shall have the right, in person or by proxy, to multiply the number of votes to which he may be entitled by the total number of directors to be elected in the same election, and he may cast the whole number of such votes for one candidate or he may distribute them among any two or more candidates.~~All candidates receiving a majority of the votes cast shall be elected.~~ Each director shall be elected by the vote of the majority of the votes cast with respect to the director at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, then the nominees receiving the highest number of votes up to the number of directors to be elected shall be elected. For purposes of this Article, a majority of the votes cast means that the number of shares voted for a director nominee must exceed the number of votes cast against that director nominee (excluding abstentions).

**THE BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE FOREGOING  
AMENDMENTS AND RECOMMENDS A VOTE FOR PROPOSAL 1**

If approved, the amendment to our By-Laws will become immediately effective and the amendment to our Amended and Restated Articles of Incorporation will become effective upon filing of Articles of Amendment with the Pennsylvania Secretary of State. We intend to make such filing promptly after the approval of this proposal at the meeting and, if necessary, prior to the election of directors at the meeting.

## **Proposal 2 Election of Directors**

There are three classes of directors on the Board of Directors. The only difference between each class is when they were elected and when their terms expire. The terms of the directors in *Class I* (C. Mark Melliar-Smith and Howard Deck) and *Class II* (Daniel M. Moloney and Ralph E. Faison) are expiring at this meeting. The terms of the directors in *Class III* (Edward M. Mazze and John E. Burrows) will expire in 2012. Mr. Moloney has not been nominated for election at this meeting. Any director elected at this meeting, or any subsequent meeting in the future, will be elected to a one-year term. There is no limit to the number of terms a director may serve.

We have nominated the following current directors for election at this meeting:

Howard C. Deck

Ralph E. Faison

C. Mark Melliar-Smith

We have also nominated the following persons for election, who have not previously served as directors:

Justin C. Choi

Steven G. Crane

Lawrence P. Reinhold

Votes on proxy cards will be cast **FOR** all six (6) of the nominees for director, unless you indicate otherwise on your proxy card. However, as noted above, the persons designated as proxies may cumulate their votes. If any of our nominees are unable or unwilling to serve as director, we may nominate another person in place of him.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR ALL OF THE ABOVE NOMINEES**

## **Proposal 3 Advisory Vote on Executive Compensation**

We are providing our shareholders with the opportunity to cast an advisory vote on the compensation of the executive officers named in the summary compensation table of this proxy statement (our named executive officers or NEOs ). We believe that it is appropriate to seek the views of our shareholders on the design and effectiveness of our executive compensation program. This resolution is required by Section 14A of the Securities Exchange Act of 1934. While our Board intends to carefully consider the shareholder vote resulting from this proposal, the final vote will not be binding on us and is advisory in nature.

Our goal for the executive compensation program is to attract, motivate and retain a talented and experienced team of executives who will provide leadership for success in increasing the value of the Company for shareholders. We seek to accomplish this goal in a way that rewards performance and is aligned with shareholders long-term interests. We believe that our executive compensation program, which emphasizes performance-based compensation and was changed significantly over the last year, achieves this goal and is now strongly aligned with the long-term interests of our shareholders.

The compensation discussion and analysis, beginning on page 18 of this proxy statement, describes our executive compensation program and the decisions made by the Compensation Committee in 2010 in more detail. Highlights of the program include the following:

Our CEO's total compensation reflects a significant portion of compensation in the form of stock option awards. These options generally require four years to fully vest and have no value unless the market price of our stock increases, which significantly aligns our CEO's interests with our shareholders' interests.

The named executive officers, other than the CEO, receive regular, long-term equity awards in the form of stock options and restricted stock. Stock options require four years to fully vest and restricted stock requires three years to vest. We believe these awards ensure that a significant portion of our named executive officers' compensation is linked to long-term stock price performance.

Cash compensation (base salary and annual performance-based cash bonus award) levels for the other named executive officers are set at median market levels generally provided by comparable companies. We do not have a long-term cash compensation program for our named executive officers.

Further changes that our Compensation Committee made to our executive compensation program in 2010 include the following actions, each of which was completed with the assistance of independent and external executive compensation consultants:

Terminated a supplemental executive retirement plan which we refer to as a SERP, which existed for many years but was no longer deemed to be effective in achieving the objectives of our executive compensation program.

Designed and implemented a new incentive compensation plan, the Pulse Electronics Corporation Annual and Long-Term Incentive Plan, for all our named executives other than the CEO. This action eliminated our Short-Term Incentive Plan ( STIP ) and implemented the use of annual incentive targets for each position. Previously under the STIP, performance targets and potential payouts were semi-annual and quarterly.

Included claw back provisions in our CEO s employment agreement.

Each of the named executive officers is employed at-will and is expected to demonstrate exceptional personal performance in order to continue serving as a member of the executive team. We believe the compensation program for the named executive officers is instrumental in helping us achieve strong financial performance. We request shareholder approval of the compensation for our named executive officers as disclosed according to the SEC s compensation disclosure rules. This disclosure includes the Compensation Discussion and Analysis, the compensation tables and the narrative disclosures that accompany the compensation tables.

As an advisory vote, this proposal is not binding. However, the Compensation Committee, which is responsible for designing and administering our executive compensation program, and the Board of Directors value the opinions expressed by shareholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for our named executive officers.

### **THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR PROPOSAL 3**

#### **Proposal 4 Advisory Vote on Frequency of Executive Compensation Vote**

Section 14A of the Securities Exchange Act requires that we ask you as our shareholders to vote on how frequently we should conduct a vote on a proposal similar to Proposal 3 regarding executive compensation. When voting on this proposal, you have the option of choosing every year, every two years or every three years, and you can also choose to abstain from voting on this matter.

After careful consideration, the Board of Directors has determined that holding an advisory vote on executive compensation every year is the most appropriate policy at this time. We recommend that you vote for future advisory votes on executive compensation to occur every year. While our executive compensation programs are designed to promote a long-term connection between pay and performance, the Board of Directors believes that holding an annual advisory vote on executive compensation provides us with more direct and immediate feedback on our compensation programs. Similarly, the Board of Directors believes that an annual advisory vote on executive compensation is consistent with our practice of seeking input and engaging in dialogue with our shareholders on corporate governance matters.

This advisory vote on the frequency of future advisory votes on executive compensation is non-binding on the Board of Directors. As noted above, shareholders will be able to specify one of four choices for this proposal on the proxy card one year, two years, three years or abstain and this vote is not a vote to either approve or disapprove the Board of Directors recommendation. Although the vote is non-binding, the Board of Directors intends to carefully review the voting results. In addition, the Board of Directors may in the future decide to conduct advisory votes on a more or less frequent basis and may vary its practice based on factors such as discussions with shareholders and the adoption of material changes to our compensation programs.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE TO HOLD AN ADVISORY VOTE ON EXECUTIVE COMPENSATION EVERY YEAR**

**Proposal 5 Other Business**

The Board does not know of any other matters to come before the meeting. However, if additional matters are presented at the meeting, the enclosed proxy confers discretionary authority with respect to those matters.

**PERSONS OWNING MORE THAN FIVE PERCENT OF OUR STOCK**

The following table describes persons we know to have beneficial ownership of more than 5% of our common stock at March 4, 2011. Our knowledge is based on reports filed with the Securities and Exchange Commission by each person or entity listed below. Beneficial ownership refers to shares of common stock that are held directly or indirectly by the owner. No other classes of stock are outstanding.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Ameriprise Financial, Inc. 145 Ameriprise Financial Center Minneapolis, MN 55474	3,152,897(1)	7.60%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	3,098,478(2)	7.47%
Royce and Associates, LLC 745 Fifth Avenue New York, NY 10151	2,716,939(3)	6.55%
Wells Fargo and Company 420 Montgomery Street San Francisco, CA 94104	2,611,381(4)	6.29%

- (1) Of the 3,152,897 shares reported as beneficially owned by Ameriprise Financial, it has shared voting power over 2,466,932 shares and shared dispositive power over all 3,152,897 shares with its subsidiary Columbia Management Investment Advisers, LLC. This information is based on a Schedule 13G filed on February 11, 2011.
- (2) Of the 3,098,478 shares reported as beneficially owned by BlackRock, it has both sole voting power and sole dispositive power over all 3,098,478 shares. This information is based on a Schedule 13G/A filed on February 8, 2011.
- (3) Of the 2,716,939 shares reported as beneficially owned by Royce and Associates, it has both sole voting power and sole dispositive power over all 2,716,939 shares. This information is based on a Schedule 13G/A filed on January 20, 2011.
- (4) Of the 2,611,381 shares reported as beneficially owned by Wells Fargo, it has sole voting power over 1,853,938 shares and sole dispositive power over 2,611,181 shares. This information is based on a Schedule 13G/A filed on January 20, 2011.





**STOCK OWNED BY DIRECTORS AND OFFICERS**

The following table describes the beneficial ownership of common stock by each of our named executive officers, directors and nominees, and our named executive officers and directors as a group, at March 4, 2011:

Name	Amount and Nature of Beneficial Ownership(1)	Percent of Class
Alan H. Benjamin	102,697(3)	*
John E. Burrows, Jr.	46,067(2)	*
Justin C. Choi	0	0
Steven G. Crane	0	0
Howard C. Deck	19,084(2)	*
Ralph E. Faison	0	*
Edward M. Mazze	43,187(2)	*
Michael J. McGrath	46,806(2)	*
C. Mark Melliar-Smith	36,317(2)	*
Drew A. Moyer	113,083(4)	*
Lawrence P. Reinhold	0	0
Roger Shahnazarian	77,761(2)	*
Directors and executive officers as a group (14 people)	654,229	1.48%

\* Less than one percent (1%).

- (1) Includes shares with restrictions and forfeiture risks under our restricted stock plan. Owners of restricted stock have the same voting and dividend rights as our other shareholders except they do not have the right to sell or transfer the shares until the applicable restricted period has ended. See Compensation Discussion and Analysis Long-Term Equity Incentives on page 18.
- (2) All shares are directly owned by the officer or director.
- (3) Includes shares directly owned and shares owned by a trust of which Mr. Benjamin is a trustee.
- (4) Includes shares directly owned and shares owned jointly with spouse.

## DIRECTORS AND EXECUTIVE OFFICERS

### Identification of Directors, Nominees and Executive Officers

The following table describes each person nominated for election to the Board of Directors, each director whose term will continue after the annual meeting, and each executive officer. Our executive officers are appointed to their offices annually.

Name	Age	Position
Alan H. Benjamin	51	Senior Vice President and Chief Operating Officer
John E. Burrows, Jr.	63	Director
Justin C. Choi	45	Director (nominee)
Steven G. Crane	54	Director (nominee)
Howard C. Deck	54	Director
John R. D. Dickson	56	Senior Vice President, Human Resources and Chief Information Officer
Ralph E. Faison	52	President, Chief Executive Officer and Chairman,
Michael P. Ginnetti	34	Chief Accounting Officer and Corporate Controller
John A. Houston	65	Senior Vice President, Sales and Marketing
Edward M. Mazze	70	Director
Michael J. McGrath	45	Vice President, Treasury and Tax
C. Mark Melliar-Smith	65	Director
Brian E. Morrissey	37	Vice President of Law and Corporate Secretary
Drew A. Moyer	46	Senior Vice President and Chief Financial Officer
Lawrence P. Reinhold	51	Director (nominee)
Roger Shahnazarian	50	Senior Vice President, Production Operations

There are no family relationships between any officers or directors. There are no arrangements or understandings between any officers or directors and another person which would provide for the other person to become an officer or director.

### Background and Qualifications of Officers and Nominees

*Alan H. Benjamin* has served as our Senior Vice President since May 2008 and as our Chief Operating Officer since November 2010. Mr. Benjamin was President of our subsidiary Pulse Electronics, Inc. (formerly Pulse Engineering, Inc.) from March 2008 until September 2010. He was Chief Operating Officer of Pulse Electronics, Inc. from January 2007 until March 2008, Senior Vice President from 2005 until 2007, and Vice President from 1998 until 2005. Prior to joining Pulse, Mr. Benjamin worked in various marketing, sales and engineering positions for Hewlett-Packard and Pacific Data Products. He holds a Bachelor of Science degree in Electrical Engineering from Duke University and is a graduate of Harvard's Advanced Management Program.

*John E. Burrows, Jr.* has served as a director of our Company since 1994 and is currently lead director of the board. He is an Operating Partner with the venture capital firm, Element Partners of Radnor, PA, and CEO of one of Element's portfolio companies, Energex, Inc. From 1995 to 2007, he was the President and CEO of SPI Holding Co., a global producer of specialty chemicals and drug delivery systems. He is also a director of Vyteris, Inc., a producer of drug delivery systems and Kingsbury, Inc., a manufacturing company. He holds a degree in Aerospace Engineering

from Georgia Tech and an MBA from the University of Virginia.

Mr. Burrows brings to the Board significant leadership experience gained through serving as Chief Executive Officer in multiple companies. He also provides extensive global manufacturing and operational experience, and understands the complexities of international markets and leading a global organization.

*Justin C. Choi*, a nominee for director, is the Executive Vice President, General Counsel and Secretary of TrustWave Holdings, Inc., a leading provider of on-demand data compliance solutions that enable organizations of

all sizes to efficiently and cost effectively achieve and maintain compliance with regulatory requirements and industry standards. From 2006 to 2007, he was the Senior Vice President, General Counsel and Secretary at Andrew Corporation, a NASDAQ company and global manufacturer of electronic components for the wireless industry that operated in 25 countries. Prior to then, Mr. Choi had been an attorney with the law firm Paul Hastings, Senior Counsel at Lucent Technologies, and Vice President of Law, Corporate and Securities with Avaya, a spin-off of Lucent Technologies. He holds a J.D. degree from Northwestern University School of Law and a B.A. from The Johns Hopkins University.

Mr. Choi has substantial experience in corporate governance and best practices for boards of directors for publicly traded companies, and in the legal affairs of publicly traded technology companies. He also brings substantial transactional experience, including mergers and acquisitions.

*Steven G. Crane*, a nominee for director, is the Chief Financial Officer of ModusLink Global Solutions, Inc., a NASDAQ company providing customized supply chain management services to the world's leading high technology companies. From 1999 to 2007, he was with Interactive Data Corporation, most recently as subsidiary President, FT Interactive Data from 2006 to 2007 and, prior to that, as its Chief Financial Officer responsible for all aspects of the company's financial functions from 1999 to 2006. He holds a Masters of International Management degree from the Thunderbird Graduate School of International Management and a B.S. in mechanical engineering from Tulane University.

As the Chief Financial Officer of ModusLink, Mr. Crane has the experience of leading the financial management of a global public company and he understands the challenges of managing complex global organizations. Having been president of a company, he also brings leadership and operational expertise to our Board.

*Howard C. Deck* has served as a director of our company since October 2008. He is President and Chief Executive Officer of Icnene, Inc., a privately held manufacturer of spray polyurethane foam insulation products. From 2004 until 2009 he was President of CertainTeed Corporation's Insulation Group (a unit of Paris-based Compagnie de Saint-Gobain), a manufacturer of fiber glass insulation products. During his 15 years at Saint-Gobain, he also headed the company's Precision Abrasives business in North America and was President of its worldwide Superabrasives and Composite Materials businesses. He holds a Master of Science in mechanical engineering from Purdue University and a Masters of Business Administration from Harvard Business School and has extensive international financial experience as well.

Mr. Deck brings to the board extensive executive-level leadership and manufacturing experience as President and Chief Executive Officer of a manufacturing company, past President of a unit of one of the world's largest materials groups, as well as other leadership and management roles during his 15 years at Saint-Gobain. Serving in these roles, he also gained significant expertise in global markets.

*John R. D. Dickson* has served as Senior Vice President and Chief Information Officer of Pulse Electronics Corporation since March 2011. Prior to joining Pulse, Mr. Dickson served as Senior Vice President and Chief Information Officer of Andrew Corporation and held numerous management positions in engineering, business development, and sales and marketing, as well as business unit management and operations. Prior to joining Andrew Corporation in 1975, he was employed by Ferranti Electronics as a radar antenna design engineer. He holds a Higher National Diploma in physics from Napier University, Edinburgh, Scotland.

*Ralph E. Faison* has served as our Chief Executive Officer since January 2011 and became Chairman of our board in March 2011. From February 2003 to December 2007, Mr. Faison served as Chief Executive Officer of Andrew Corporation, a public company and manufacturer of communications equipment and systems. From June 2002 to December 2007, Mr. Faison also served as President and a director of Andrew Corporation. From June 2002 to

February 2003, Mr. Faison served as a Chief Operating Officer of Andrew Corporation. From June 2001 to June 2002, he served as President and Chief Executive Officer of Celiant Corporation, a manufacturer of power amplifiers and wireless radio frequency systems, which was acquired by Andrew Corporation in June 2002. From October 1997 to June 2001, Mr. Faison was vice president of the New Ventures Group at Lucent Technologies, a communications service provider, and from 1995 to 1997 he was vice president of advertising and brand management at Lucent Technologies. Prior to joining Lucent, Mr. Faison held various positions at AT&T, a voice

and data communications company, including as vice president and general manager of AT&T's wireless business unit and manufacturing vice president for its consumer products unit in Bangkok, Thailand. He is a current member of the Board of Directors of NETGEAR, Inc. and BLINQ Networks. Mr. Faison received a B.B.A. degree in marketing from Georgia State University and a M.S. degree in management as a Sloan Fellow from Stanford University

As the only management representative on the board, Mr. Faison provides an insider's perspective about the business and on the strategic direction of the company to board discussions. He also brings to the board strong executive leadership and management vision, as well as public company board experience.

*Michael P. Ginnetti* is our Chief Accounting Officer and Corporate Controller, responsible for all accounting, controlling and financial reporting activities. Since joining the company in 2001, Mr. Ginnetti has served in various management positions including Director of Corporate Accounting and Reporting. In addition, Mr. Ginnetti chairs the Compliance and Disclosure Committee. Previously, he was employed by Arthur Andersen LLP. Mr. Ginnetti earned a B.S. degree in accounting from the Pennsylvania State University in 1998 and a Masters of Business Administration from Temple University in 2005. He is a Certified Public Accountant.

*John A. Houston* has been Senior Vice President of Pulse Electronics Corporation since November 2010. Mr. Houston has 37 years of experience in worldwide manufacturing, distribution and engineering of high technology products. He is responsible for global sales and marketing. Since joining Pulse in 1982, Mr. Houston held positions including Senior Vice President of the Network, Wireless and Power Products Group, Senior Vice President of the Business Groups and Vice President of the North American Business Unit. His responsibilities included marketing, engineering, development, manufacturing, sales and customer service. He has also held numerous positions at leading manufacturing companies including Philips and Corning. Mr. Houston holds a B.S. degree in Civil Engineering from State University of New York at Buffalo.

*Dr. Edward M. Mazze* has served as a director of our company since 1985. He is Distinguished University Professor of Business Administration at the University of Rhode Island. He was the Dean of the College of Business Administration and holder of the Alfred J. Verrecchia-Hasbro Inc. Leadership Chair in Business at the University of Rhode Island from 1998 to 2006. Dr. Mazze is a member of the Board of Directors of Washington Trust Bancorp, Inc. and Ocean State Business Development Authority. He also served as Chairman and Chief Executive Officer of the William Penn Bank in Philadelphia and as a Member of the Panel of Bankruptcy Trustees, United States Department of Justice. Dr. Mazze received BBA and MBA degrees in Marketing and International Business from the City University of New York and a Ph.D. degree in business administration from the Pennsylvania State University.

Dr. Mazze brings to the board significant leadership and business expertise in marketing, international business and corporate governance. He has served on other corporate boards, the boards of colleges and non-profit organizations and has held federal and state government appointments. Dr. Mazze has served as chair and as a member of audit and compensation committees of other corporations.

*Michael J. McGrath* is Vice President, Treasury and Tax, responsible for developing and managing our global treasury and tax strategies. In this role, he oversees the Company's cash and investments, debt and financial instruments, currency and other financial risks, real estate and insurance. Mr. McGrath also oversees all worldwide tax planning, accounting and compliance activities, along with the investment and compliance functions of the Company's retirement plans. In addition, Mr. McGrath is our Ethics Officer and chairs the Compliance and Ethics Committee. Before joining the Company in 1998, he held various positions at KPMG LLP and Deloitte & Touche LLP. Mr. McGrath earned a J.D. from Temple University's Beasley School of Law and a B.S. degree in accounting from The College of New Jersey. He is an attorney licensed in the State of New Jersey and the Commonwealth of Pennsylvania and is also a Certified Public Accountant. Mr. McGrath is also currently serving as President of the Philadelphia chapter of Tax Executives Institute, Inc.

*C. Mark Melliar-Smith* has served as a director of Pulse Electronics Corporation since January 2002. He is the President of Multi-Strategies Consulting, a consulting and investment company located in Austin, Texas, which specializes in early stage start-up companies in the high technology sector. He is also the Chief Executive Officer of Molecular Imprints, which manufactures semiconductor process equipment. From January 2002 to October 2003,



Mr. Melliar-Smith was a Venture Partner with Austin Ventures, a venture capital firm. From 1997 through 2001, Mr. Melliar-Smith was the President and Chief Executive Officer of International SEMATECH, a research and development consortium for the integrated circuit industry. Mr. Melliar-Smith also serves as a director of Power One Inc. and Molecular Imprints, Inc. He holds BS and PhD degrees in Chemistry from Southampton University, UK as well as an MBA from Rockhurst College, Kansas City.

Mr. Melliar-Smith brings to the board extensive executive management and financial experience, having served in the capacity of President of a consulting company, Chief Executive Officer of a manufacturing company, a Venture Partner with a venture capital firm and President and CEO of a research and development consortium.

Mr. Melliar-Smith, who holds an MBA and a PhD, is also a valuable contributor to the technology vision of the Company, as President of a consulting company which specializes in start-up high-tech companies. Having also served on the compensation and audit committees of other companies' boards, Mr. Melliar-Smith provides valuable perspective. He has accounting or related financial management expertise, as defined by the NYSE listing standards.

*Brian E. Morrissey* has served as our Vice President of Law and Corporate Secretary since April 2011. He oversees the Company's worldwide legal function which is responsible for providing counsel on corporate, transactional, litigation, employment, governance, intellectual property, regulatory and other legal matters. Prior to joining the Company in 2004, Mr. Morrissey was an attorney with McCausland, Keen & Buckman. He served a Judicial Clerkship with the Honorable Bernard A. Moore of the Commonwealth of Pennsylvania Court of Common Pleas, 38th Judicial District. Mr. Morrissey earned his bachelor's degree from St. Joseph's University and graduated from Villanova University School of Law where he was an editor of the Villanova Law Review and elected to the Order of the Coif.

*Drew A. Moyer* has served as our Senior Vice President and Chief Financial Officer since August 2004. Mr. Moyer also served as our Interim Chief Executive Officer and President from August 2010 until January 2011. He was President of our electrical contacts segment, which was sold in 2010, from 2006 until 2009; our Vice President from May 2002 until August 2004; Secretary from January 1997 until August 2004 and May 2008 through March 2011; and Corporate Controller and Chief Accounting Officer from May 1995 until August 2004. Mr. Moyer joined Pulse in 1989 and was previously employed by Ernst & Young LLP. He holds a Bachelor's degree in accounting from Temple University and an MBA in Finance and International Business from Drexel University. He is a Certified Public Accountant.

*Lawrence P. Reinhold*, a nominee for director, is the Executive Vice President, Chief Financial Officer and a Director of Systemax Inc., a NYSE listed company that sells personal computers and supplies, consumer electronics and industrial products through branded web sites, direct mail, and retail stores in North America and Europe, as well as designs and manufactures personal computers, computer components and other products. From 2002 to 2005, he served as Executive Vice President and Chief Financial Officer of Greatbatch, Inc., a New York Stock Exchange listed multinational developer and manufacturer of electronic components used in implantable medical devices. Prior to that, he was the Executive Vice President and Chief Financial Officer of Critical Path, Inc., a multinational enterprise application software company, and was with PricewaterhouseCoopers for 18 years, first as a staff accountant and eventually became the firm's managing partner for its Technology, Information, Communications, Entertainment & Media practice in the Midwest. Mr. Reinhold is a CPA and a member of the American Institute of CPAs and Finance Executives International. He holds an MBA and a B.S./B.A. from San Diego State University.

Mr. Reinhold brings to the Board extensive experience in the electronics industry, having served in an executive leadership capacity in this industry for almost ten years. He also brings public accounting experience to the Board as a certified public accountant and has a substantial background in the management of finance, legal, human resources, risk management, IT, internal audit, corporate development, and strategic planning functions. His experience at Systemax brings knowledge of design, engineering and contract manufacturing operations in Asia.

*Roger Shahnazarian* has served as our Senior Vice President of Production Operations since November 2010. Mr. Shahnazarian has been with Pulse in various managerial, manufacturing, engineering and quality roles in four countries during the past 24 years, including Senior Vice President of Sales. Previously,