

ASTRONICS CORP
Form 10-Q
November 04, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended September 27, 2014

or

.. **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from _____ to _____

Commission File Number 0-7087

ASTRONICS CORPORATION
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

16-0959303
(IRS Employer
Identification Number)

130 Commerce Way, East Aurora, New York
(Address of principal executive offices)

14052
(Zip code)

(716) 805-1599

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(g) of the Act:

\$.01 par value Common Stock, \$.01 par value Class B Stock

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "large accelerated filer", an "accelerated filer", a "non-accelerated filer" and a "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of September 27, 2014, 21,787,436 shares of common stock were outstanding consisting of 14,694,645 shares of common stock (\$.01 par value) and 7,092,791 shares of Class B common stock (\$.01 par value).

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Table of Contents**Part 1 Financial Information****Item 1. Financial Statements**

ASTRONICS CORPORATION

Consolidated Condensed Balance Sheets

September 27, 2014 with Comparative Figures for December 31, 2013

(In thousands)

	September 27, 2014 (Unaudited)	December 31, 2013
Current Assets:		
Cash and Cash Equivalents	\$ 24,928	\$ 54,635
Accounts Receivable, net of allowance for doubtful accounts	111,898	60,942
Inventories	126,564	85,269
Prepaid Expenses and Other Current Assets	14,149	10,352
Total Current Assets	277,539	211,198
Property, Plant and Equipment, net of accumulated depreciation	111,362	70,900
Other Assets	6,179	5,474
Intangible Assets, net of accumulated amortization	95,285	102,701
Goodwill	100,542	100,998
Total Assets	\$ 590,907	\$ 491,271
Current Liabilities:		
Current Maturities of Long-term Debt	\$ 10,239	\$ 12,279
Accounts Payable	43,534	25,255
Accrued Expenses	32,970	24,668
Accrued Income Taxes	3,355	1,318
Customer Advance Payments and Deferred Revenue	45,618	20,747
Deferred Income Taxes		970
Total Current Liabilities	135,716	85,237
Long-term Debt	202,404	188,041
Other Liabilities	41,518	46,484
Total Liabilities	379,638	319,762

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Shareholders' Equity:			
Common Stock		218	214
Accumulated Other Comprehensive Loss		(6,217)	(3,611)
Other Shareholders' Equity		217,268	174,906
Total Shareholders' Equity		211,269	171,509
Total Liabilities and Shareholders' Equity		\$ 590,907	\$ 491,271

See notes to consolidated condensed financial statements.

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ASTRONICS CORPORATION

Consolidated Condensed Statements of Operations

Three and Nine Months Ended September 27, 2014 With Comparative Figures for 2013

(Unaudited)

(In thousands, except per share data)

	Nine Months Ended		Three Months Ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
Sales	\$ 494,956	\$ 234,481	\$ 179,442	\$ 89,681
Cost of Products Sold	370,439	171,796	128,132	65,896
Gross Profit	124,517	62,685	51,310	23,785
Selling, General and Administrative Expenses	62,638	31,291	25,539	11,433
Income from Operations	61,879	31,394	25,771	12,352
Interest Expense, net of interest income	7,183	2,085	2,301	1,605
Income Before Income Taxes	54,696	29,309	23,470	10,747
Provision for Income Taxes	16,965	8,432	6,390	3,592
Net Income	\$ 37,731	\$ 20,877	\$ 17,080	\$ 7,155
Earnings per share:				
Basic	\$ 1.74	\$ 1.00	\$ 0.79	\$ 0.34
Diluted	\$ 1.67	\$ 0.95	\$ 0.75	\$ 0.32

See notes to consolidated condensed financial statements.

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ASTRONICS CORPORATION

Consolidated Condensed Statements of Comprehensive Income

Three and Nine Months Ended September 27, 2014 With Comparative Figures for 2013

(Unaudited)

(In thousands)

	Nine Months Ended		Three Months Ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
Net Income	\$ 37,731	\$ 20,877	\$ 17,080	\$ 7,155
Other Comprehensive Income (Loss):				
Foreign Currency Translation Adjustments	(2,943)	(260)	(2,375)	129
Change in Accumulated Income on Derivatives net of tax	19	65	27	27
Retirement Liability Adjustment net of tax	318	316	110	105
Other Comprehensive (Loss) Income	(2,606)	121	(2,238)	261
Comprehensive Income	\$ 35,125	\$ 20,998	\$ 14,842	\$ 7,416

See notes to consolidated condensed financial statements.

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ASTRONICS CORPORATION

Consolidated Condensed Statements of Cash Flows

Nine Months Ended September, 2014

With Comparative Figures for 2013

(Unaudited)

(In thousands)

	September 27, 2014	September 28, 2013
Cash Flows From Operating Activities:		
Net Income	\$ 37,731	\$ 20,877
Adjustments to Reconcile Net Income to Cash Provided By Operating Activities:		
Depreciation and Amortization	21,168	6,547
Provisions for Non-Cash Losses on Inventory and Receivables	733	381
Stock Compensation Expense	1,304	1,048
Deferred Tax (Benefit) Expense	(4,598)	1,109
Other	(1,095)	(863)
Cash Flows from Changes in Operating Assets and Liabilities:		
Accounts Receivable	(41,562)	4,804
Inventories	16,184	(3,668)
Accounts Payable	7,923	3,790
Other Current Assets and Liabilities	5,199	(590)
Customer Advanced Payments and Deferred Revenue	22,593	(1,579)
Income Taxes	2,048	1,454
Supplemental Retirement and Other Liabilities	921	838
Cash Provided By Operating Activities	68,549	34,148
Cash Flows From Investing Activities:		
Acquisition of Business, net of cash acquired	(70,028)	(135,898)
Capital Expenditures	(29,971)	(4,833)
Cash Used For Investing Activities	(99,999)	(140,731)
Cash Flows From Financing Activities:		
Proceeds from Long Term Debt	245,414	190,000
Payments for Long-term Debt	(245,761)	(21,294)
Debt Acquisition Costs	(573)	(2,288)

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Acquisition Earnout Payments	(37)	(81)
Proceeds from Exercise of Stock Options	1,290	408
Income Tax Benefit from Exercise of Stock Options	2,041	649
Cash Provided By Financing Activities	2,374	167,394
Effect of Exchange Rates on Cash	(631)	(5)
(Decrease) Increase in Cash and Cash Equivalents	(29,707)	60,806
Cash and Cash Equivalents at Beginning of Period	54,635	7,380
Cash and Cash Equivalents at End of Period	\$ 24,928	\$ 68,186

See notes to consolidated condensed financial statements.

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ASTRONICS CORPORATION

Notes to Consolidated Condensed Financial Statements

September 27, 2014

(Unaudited)

1) Basis of Presentation

The accompanying unaudited statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included.

Operating Results

The results of operations for any interim period are not necessarily indicative of results for the full year. Operating results for the three and nine month periods ended September 27, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

The balance sheet at December 31, 2013 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

For further information, refer to the financial statements and footnotes thereto included in Astronics Corporation's 2013 annual report on Form 10-K.

Description of the Business

Astronics is a leading supplier of products to the aerospace and defense industries. Our products include advanced, high-performance lighting and safety systems, electrical power generation, distribution and motion systems, avionics and structure and other products for the global aerospace industry as well as test, training and simulation systems for the military, semi-conductor and consumer electronics markets.

The Company has two reportable segments, Aerospace and Test Systems. The Aerospace segment designs and manufactures products for the global aerospace industry. The Test Systems segment designs, manufactures and maintains communications and weapons test systems and training and simulation devices for military applications as well as automatic test systems, subsystems and instruments for semi-conductor and consumer electronics products.

We have twelve primary locations, ten in the United States, one in Canada, and one in France. We design and build our products through our wholly owned subsidiaries Astronics Advanced Electronic Systems Corp. (AES); Astronics AeroSat Corporation (AeroSat); Astronics Test Systems, Inc. (ATS); Ballard Technology, Inc. (Ballard); DME Corporation (DME); Luminescent Systems, Inc. (LSI); Luminescent Systems Canada, Inc. (LSI Canada); Max-Viz, Inc. (Max-Viz); Peco, Inc. (Peco) and PGA Electronic s.a. (PGA).

On February 28, 2014, Astronics acquired, through a wholly owned subsidiary ATS, certain assets and liabilities of EADS North America's Test and Services division, located in Irvine, California. ATS is a leading provider of highly engineered automatic test systems, subsystems and instruments for semi-conductor and consumer electronics products to both the commercial and defense industries. ATS is included in our Test Systems segment.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated. Acquisitions are accounted for under the purchase method and, accordingly, the operating results for the acquired companies are included in the consolidated statements of earnings from the respective dates of acquisition.

Revenue and Expense Recognition

In the Aerospace segment, segment revenue is recognized on the accrual basis at the time of shipment of goods and transfer of title. There are no significant contracts allowing for right of return.

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In the Test Systems segment, revenue of approximately 1% and 62% for the three months ending September 27, 2014 and September 28, 2013, respectively, and approximately 1% and 40% for the nine months ending September 27, 2014 and September 28, 2013 respectively, is recognized from long-term, fixed-price contracts using the percentage-of-completion method of accounting, measured by multiplying the estimated total contract value by the ratio of actual contract costs incurred to date to the estimated total contract costs. Substantially all long-term contracts are with U.S. government agencies and contractors thereto. The Company makes significant estimates involving its usage of percentage-of-completion accounting to recognize contract revenues. The Company periodically reviews contracts in process for estimates-to-completion, and revises estimated gross profit accordingly. While the Company believes its estimated gross profit on contracts in process is reasonable, unforeseen events and changes in circumstances can take place in a subsequent accounting period that may cause the Company to revise its estimated gross profit on one or more of its contracts in process. Accordingly, the ultimate gross profit realized upon completion of such contracts can vary significantly from estimated amounts between accounting periods. Revenue not recognized using the percentage-of-completion method is recognized at the time of shipment of goods and transfer of title.

With the acquisition of ATS, a portion of our Test Systems segment sales are recognized as multiple element arrangements, whereby revenue is allocated to the equipment and post installation maintenance service components based upon vendor specific objective evidence, typically pricing established in the contracts for the post installation services. If vendor-specific objective evidence of selling price is not available, we allocate revenue to the elements of the bundled arrangement using the estimated selling price method in order to qualify the components as separate units of accounting. Revenue on the equipment component is recognized when the equipment is accepted by the customers and title passes. Revenue on the post installation maintenance service component is recognized over the contractual life of the service to be provided, typically 24 months from installation.

Cost of Products Sold, Engineering and Development and Selling, General and Administrative Expenses

Cost of products sold includes the costs to manufacture products such as direct materials and labor and manufacturing overhead as well as all engineering and developmental costs. The Company is engaged in a variety of engineering and design activities as well as basic research and development activities directed to the substantial improvement or new application of the Company's existing technologies. These costs are expensed when incurred and included in cost of products sold. Research and development, design and related engineering amounted to \$19.1 million and \$12.4 million for the three months ended September 27, 2014 and September 28, 2013, respectively, and \$57.1 million and \$38.6 million for the nine months ended September 27, 2014 and September 28, 2013, respectively. Selling, general and administrative expenses include costs primarily related to our sales and marketing departments and administrative departments. Interest expense is shown net of interest income. Interest income was insignificant for the three and nine months ended for both September 27, 2014 and September 28, 2013.

Financial Instruments

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, notes payable, long-term debt and interest rate swaps. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. The Company does not hold or issue financial instruments for trading purposes. Due to their short-term nature, the carrying values of cash and equivalents, accounts receivable, accounts payable, and notes payable, if any, approximate fair value. The carrying value of the Company's variable rate long-term debt also approximates fair value due to the variable rate feature of these instruments. The Company's interest rate swaps are recorded at fair value as described under Note 16 Fair Value and Note 17 Derivative Financial Instruments.

Derivatives

The accounting for changes in the fair value of derivatives depends on the intended use and resulting designation. The Company's use of derivative instruments is limited to cash flow hedges for interest rate risk associated with long-term debt. Interest rate swaps are used to adjust the proportion of total debt that is subject to variable and fixed interest rates. The interest rate swaps are designated as hedges of the amount of future cash flows related to interest payments on variable-rate debt that, in combination with the interest payments on the debt, convert a portion of the variable-rate debt to fixed-rate debt. The Company records all derivatives on the balance sheet at fair value as described under Note 16 Fair Value and Note 17 Derivative Financial Instruments. The related gains or losses, to the extent the derivatives are effective as a hedge, are deferred in shareholders' equity as a component of Accumulated Other Comprehensive Income (Loss) (AOCI) and reclassified into earnings at the time interest expense is recognized on the associated long-term debt. Any ineffectiveness is immediately recorded in the statement of operations.

Foreign Currency Translation

The Company accounts for its foreign currency translation in accordance with Accounting Standards Codification (ASC) Topic 830, *Foreign Currency Translation*. The aggregate transaction gain or loss included in operations was insignificant for the periods ending September 27, 2014 and September 28, 2013.

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Loss contingencies may from time to time arise from situations such as claims and other legal actions. Loss contingencies are recorded as liabilities when it is probable that a liability has been incurred and the amount of the loss is reasonably estimable. Disclosure is required when there is a reasonable possibility that the ultimate loss will exceed the recorded provision. Contingent liabilities are often resolved over long time periods. In recording liabilities for probable losses, management is required to make estimates and judgments regarding the amount or range of the probable loss. Management continually assesses the adequacy of estimated loss contingencies and, if necessary, adjusts the amounts recorded as better information becomes known.

Accounting Pronouncements Adopted in 2014

On January 1, 2014, the Company adopted the new provisions of Accounting Standards Update (ASU) 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The ASU requires the netting of unrecognized tax benefits against a deferred tax asset for a loss or other carryforward that would apply in settlement of the uncertain tax positions. Unrecognized tax benefits are required to be netted against all available same-jurisdiction loss or other tax carryforwards, rather than only against carryforwards that are created by the unrecognized tax benefits. This ASU did not have an impact on the Company's financial statements.

On January 1, 2014, the Company adopted the new provisions of Accounting Standards Update ASU 2013-12, Definition of a Public Business Entity – An Addition to the Master Glossary. The ASU amends the Master Glossary of the FASB Accounting Standards Codification to include one definition of public business entity for future use in U.S. GAAP and identifies the types of business entities that are excluded from the scope of the Private Company Decision-Making Framework: A Guide for Evaluating Financial Accounting and Reporting for Private Companies. This ASU did not have an impact on the Company's financial statements.

2) Inventories

Inventories are stated at the lower of cost or market, cost being determined in accordance with the first-in, first-out method. Inventories are as follows:

(In thousands)	September 27, 2014	December 31, 2013
Finished Goods	\$ 27,028	\$ 21,627
Work in Progress	39,761	15,017
Raw Material	59,775	48,625
	\$ 126,564	\$ 85,269

The Company records valuation reserves to provide for excess, slow moving or obsolete inventory or to reduce inventory to the lower of cost or market value. In determining the appropriate reserve, the Company considers the age of inventory on hand, the overall inventory levels in relation to forecasted demands as well as reserving for specifically identified inventory that the Company believes is no longer salable.

3) Property, Plant and Equipment

The following table summarizes Property, Plant and Equipment as follows:

(In thousands)	September 27, 2014	December 31, 2013
Land	\$ 10,061	\$ 6,742
Buildings and Improvements	59,485	45,551
Machinery and Equipment	70,858	54,369
Construction in Progress	15,955	1,527
	156,359	108,189
Less Accumulated Depreciation	44,997	37,289
	\$ 111,362	\$ 70,900

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The following table summarizes acquired intangible assets as follows:

(In thousands)	Weighted Average Life	September 27, 2014		December 31, 2013	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Patents	7 Years	\$ 2,146	\$ 1,031	\$ 2,146	\$ 891
Trade Names	9 Years	8,344	1,104	7,453	552
Completed and Unpatented Technology	7 Years	16,958	3,743	15,377	2,620
Backlog and Customer Relationships	11 Years	91,771	18,056	88,998	7,210
Total Intangible Assets	9 Years	\$ 119,219	\$ 23,934	\$ 113,974	\$ 11,273

All acquired intangible assets other than goodwill and one trade name are being amortized. Amortization expense for acquired intangibles is summarized as follows:

(In thousands)	Nine Months Ended		Three Months Ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
Amortization Expense	\$ 12,673	\$ 2,429	\$ 7,769	\$ 1,494

Amortization expense for intangible assets expected for 2014 and for each of the next five years is summarized as follows:

(In thousands)	
2014	\$ 15,651
2015	8,554
2016	8,092
2017	7,677
2018	7,585
2019	7,433

5) Goodwill

The following table summarizes the changes in the carrying amount of goodwill for 2014:

(In thousands)	Acquisition
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	December 31, 2013		Foreign Currency Translation	September 27, 2014
Aerospace	\$ 100,998	\$ 512	\$ (968)	\$ 100,542
Test Systems				
	\$ 100,998	\$ 512	\$ (968)	\$ 100,542

6) Long-term Debt and Notes Payable

On September 26, 2014, the Company modified and extended its existing credit facility (the Original Facility) by entering into the Fourth Amended and Restated Credit Agreement (the Agreement). On the closing date, there were \$180.5 million of term loans outstanding, \$6 million of revolving loans outstanding under the Original Facility. Pursuant to the Agreement, the Original Facility was replaced with a \$350 million revolving credit line with the option to increase the line by up to \$150 million. The outstanding balances in the Original Facility, were rolled into the Agreement on the date of entry. In addition, the maturity date of the loans under the Agreement is now September 26, 2019.

Covenants in the Agreement have been modified to where the maximum permitted leverage ratio of funded debt to EBITDA (as defined in the agreement) is 3.5 to 1, increasing to 4.0 to 1 for up to two fiscal quarters following the closing of an acquisition permitted under the Agreement. The Company will pay interest on the unpaid principal amount of the facility at a rate equal to one, three or six month Libor plus between 137.5 basis points and 225 basis points based upon the Company s leverage ratio. The Company will also pay a commitment fee to the Lenders in an amount equal to between 17.5 basis points and 35 basis points on the undrawn portion of the credit facility, based upon the Company s leverage ratio. The fixed charge coverage ratio under the Original Facility has been replaced with a minimum interest coverage ratio (EBITDA to interest expense) of 3.0 to 1 for the term of the Agreement. EBITDA, as defined in the agreement, is the sum of consolidated net income plus fees and expenses incurred in connection with a permitted acquisition for financing to the extent reducing consolidated net income, consolidated interest expense, provisions for taxes based on income, total depreciation expense, total amortization expense, other non-cash items reducing consolidated net income and any reduction of consolidated net income resulting from the fair valuation adjustment to inventory cost in connection with any permitted acquisition, less other non-cash items increasing consolidated net income for such period. Extraordinary gains, whether cash or non-cash, and earn-out adjustments in the purchase price for permitted acquisitions shall not be included in the calculation of EBITDA.

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At September 27, 2014, there was \$186.5 million outstanding on the revolving credit facility. There remains approximately \$154.8 million available under the revolving credit facility on September 27, 2014, net of outstanding letters of credit. The credit facility allocates up to \$20 million of the \$350 million revolving credit line for the issuance of letters of credit, including certain existing letters of credit. At September 27, 2014, outstanding letters of credit totaled \$8.7 million.

In September 2014, the Company directed the optional redemption in whole of its approximately \$7.9 million of Industrial Revenue Bonds. Pursuant to the optional redemption, all of the principal and interest due on such Industrial Revenue Bonds will be paid and all letters of credit in support of the obligations cancelled in the fourth quarter of 2014.

Scheduled principal payments for the next 12 months on all long term debt amount to approximately \$10.2 million. Remaining scheduled principal maturities of long-term debt each year are approximately:

(In thousands)	
2014	\$ 8,294
2015	2,698
2016	2,798
2017	2,733
2018	2,729
2019	188,407
Thereafter	4,984
	\$ 212,643

7) Product Warranties

In the ordinary course of business, the Company warrants its products against defects in design, materials and workmanship typically over periods ranging from twelve to sixty months. The Company determines warranty reserves needed by product line based on experience and current facts and circumstances. Activity in the warranty accrual is summarized as follows:

(In thousands)	Nine Months Ended		Three Months Ended	
	September 27, 2014	Sept. 28, 2013	September 27, 2014	Sept. 28, 2013
Balance at beginning of period	\$ 2,796	\$ 2,551	\$ 3,925	\$ 2,584
Acquisitions	564		(226)	
Warranties issued	2,842	356	1,966	23
Warranties settled	(1,323)	(618)	(520)	(202)
Reassessed warranty exposure	271	(133)	5	(249)
Balance at end of period	\$ 5,150	\$ 2,156	\$ 5,150	\$ 2,156

8) *Income Taxes*

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities. Deferred tax assets are reduced, if deemed necessary, by a valuation allowance for the amount of tax benefits which are not expected to be realized. Investment tax credits are recognized on the flow through method.

ASC Topic 740-10 *Overall Uncertainty in Income Taxes* (ASC Topic 740-10) clarifies the accounting and disclosure for uncertainty in tax positions. ASC Topic 740-10 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. The Company is subject to the provisions of ASC Topic 740-10 and has analyzed filing positions in all of the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions. Should the Company need to accrue a liability for uncertain tax benefits, any interest associated with that liability will be recorded as interest expense. Penalties, if any, would be recognized as operating expenses. There were no penalties or interest liability accrued as of September 27, 2014 or December 31, 2013, nor were any penalties or interest costs included in expense for the three and nine month periods ending September 27, 2014 and September 28, 2013. The years under which we conducted our evaluation coincided with the tax years currently still subject to examination by major federal and state tax jurisdictions, those being 2012 through 2013 for federal purposes and 2011 through 2013 for state purposes.

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The effective tax rates were approximately 27.2% and 33.4% for the three months and 31.0% and 28.8% for the nine months ended September 27, 2014 and September 28, 2013, respectively. The effective tax rate for the third quarter and first nine months of 2014 was lower than the federal statutory rate, due to the domestic production activity deduction, lower effective tax rates on foreign income and the recognition of \$0.9 million in domestic Research and Development (R&D) tax credits related to prior years that was recognized in the third quarter of 2014. The effective tax rate for the nine months of 2013 was impacted primarily by the domestic production activity deduction, the recognition of approximately \$1.1 million in domestic 2012 R&D tax credits and \$0.6 million in domestic 2013 R&D tax credits. The effective tax rate for the three months ended September 28, 2013 was impacted primarily by the recognition of approximately \$0.2 million in domestic 2013 R&D tax credits.

9) Shareholders Equity

The changes in shareholders equity for the nine months ended September 27, 2014 are summarized as follows as adjusted to reflect the impact of the one-for-five distribution of Class B Stock as discussed in Note 10:

(Dollars and Shares in thousands)	Amount	Number of Shares	
		Common Stock	Convertible Class B Stock
Shares Authorized		40,000	10,000
Share Par Value		\$ 0.01	\$ 0.01
COMMON STOCK			
Beginning of Period	\$ 214	13,268	8,221
Conversion of Class B Shares to Common Shares		1,261	(1,261)
Exercise of Stock Options	4	166	133
End of Period	\$ 218	14,695	7,093
ADDITIONAL PAID IN CAPITAL			
Beginning of Period	\$ 40,791		
Stock Compensation Expense	1,304		
Exercise of Stock Options	3,365		
End of Period	\$ 45,460		
ACCUMULATED OTHER COMPREHENSIVE LOSS			
Beginning of Period	\$ (3,611)		
Foreign Currency Translation Adjustment	(2,943)		
Change in Accumulated (Loss) Income on Derivatives Net of Tax	19		
Retirement Liability Adjustment Net of Tax	318		
End of Period	\$ (6,217)		

RETAINED EARNINGS

Beginning of Period	\$ 134,115
Cash Paid in Lieu of Fractional Shares from Stock	
Distribution	(38)
Net Income	37,731
End of Period	\$ 171,808

TOTAL SHAREHOLDERS EQUITY

Beginning of Period	\$ 171,509
End of Period	\$ 211,269

Table of Contents**10) Earnings Per Share**

Basic and diluted weighted-average shares outstanding are as follows:

(In thousands)		Nine Months Ended		Three Months Ended	
		Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
Weighted average shares	Basic	21,661	20,905	21,749	20,948
	Net effect of dilutive stock options	997	1,015	928	1,113
Weighted average shares	Diluted	22,658	21,920	22,677	22,061

The above information has been adjusted to reflect the impact of the one-for-five distribution of Class B Stock for shareholders of record on September 5, 2014.

Stock options with exercise prices greater than the average market price of the underlying common shares are excluded from the computation of diluted earnings per share because they are out-of-the-money and the effect of their inclusion would be anti-dilutive. The number of common shares covered by out-of-the-money stock options were insignificant at September 27, 2014.

11) Accumulated Other Comprehensive Loss and Other Comprehensive Loss

The components of accumulated other comprehensive income (loss) are as follows:

(In thousands)		September 27, 2014	December 31, 2013
Foreign Currency Translation Adjustments		\$ (1,659)	\$ 1,284
Accumulated (Loss) Income on Derivatives			
Before Tax		(77)	(107)
Tax Benefit		27	38
Accumulated (Loss) Income on Derivatives	After		
Tax		(50)	(69)
Retirement Liability Adjustment	Before Tax	(6,935)	(7,423)
Tax Benefit		2,427	2,597
Retirement Liability Adjustment	After Tax	(4,508)	(4,826)

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Accumulated Other Comprehensive Loss	\$ (6,217)	\$ (3,611)
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The components of other comprehensive (loss) income are as follows:

(In thousands)	Nine Months Ended		Three Months Ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
Foreign Currency Translation Adjustments	\$ (2,943)	\$ (260)	\$ (2,375)	\$ 129
Change in Accumulated (Loss) Income on Derivatives:				
Reclassification to Interest Expense	45	90	11	20
Net (Decrease) Increase in Fair Value of Derivatives	(15)	11	31	22
Tax Benefit (Expense)	(11)	(36)	(15)	(15)
Change in Accumulated (Loss) Income on Derivatives	19	65	27	27
Retirement Liability Adjustments:				
Reclassifications to General and Administrative Expense:				
Amortization of prior service cost	408	388	136	127
Amortization of net actuarial losses	80	95	27	32
Tax Benefit	(170)	(167)	(53)	(54)
Retirement Liability Adjustment	318	316	110	105
Other Comprehensive (Loss) Income	\$ (2,606)	\$ 121	\$ (2,238)	\$ 261

Table of Contents**12) Supplemental Retirement Plan and Related Post Retirement Benefits**

The Company has two non-qualified supplemental retirement defined benefit plans (SERP and SERP II) for certain executive officers. The following table sets forth information regarding the net periodic pension cost for the plans.

(In thousands)	Nine Months Ended		Three Months Ended			
	Sept. 27, 2014		Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013	
Service cost	\$	187	\$	222	\$ 62	\$ 74
Interest cost		565		465	188	155
Amortization of prior service cost		390		370	130	121
Amortization of net actuarial losses		80		95	27	32
		KEMET Corporation		Trimble Navigation Inc.		Moog
OmniVision Technologies, Inc.		ON Semiconductor Corporation		Plexus Corp.		

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This peer group is not used for the stock price performance graph included in our Annual Report on Form 10-K for the year ended December 28, 2015. That Form 10-K performance graph compares the cumulative total stockholder return on our common stock against the cumulative total return on the NASDAQ Composite Index and the Dow Jones U.S. Electrical Components & Equipment Index.

Although peer group data provided relevant benchmarking information for our chief executive officer and chief financial officer, Radford recommended the use of certain broader technology survey data for both those officers and our other executive officers in order to provide a deeper database based on job and revenue responsibility and thereby be more reflective of the market for talent for those other executive officers and senior management. More specifically, for 2016, to benchmark compensation for all of our executive officers other than our chief executive officer and chief financial officer, Mercer provided our compensation committee with data from Radford's global survey. Mercer recommended survey data for companies in the semiconductor, computer storage and peripherals, and communications equipment industries with annual revenues between \$700 million and \$3.0 billion, in order to align more closely to the criteria used to select our 2016 Peer Group. Compensation for our chief executive and chief financial officer is benchmarked against both our peer group and that broader survey data.

As discussed above, our compensation committee targets the compensation levels of our executive officers between the 25th and 50th percentile of comparable officers at comparable companies, as derived from both peer group data and broader composite survey data. Our compensation committee may vary from this target range for various elements of compensation depending on the executive officer's job performance, skill set, level of responsibilities, prior compensation and business conditions. The compensation for our executive officers discussed herein for 2016 falls generally within this targeted range.

Our compensation committee intends to continue its practice of retaining executive compensation consultants from time to time, as our compensation committee deems appropriate, to advise our compensation committee with respect to its compensation policies and provide compensation data from comparable companies.

Risk Management Considerations. Our compensation committee believes that our performance-based bonus and equity programs provide incentives to create long-term stockholder value. Several elements of the programs are also designed to discourage behavior that leads to excessive risk:

Our compensation committee believes that operating income and operating cash flow as a percentage of revenues, the financial metrics used to determine the amount of an executive's annual incentive bonus, are measures that drive long-term stockholder value. Moreover, the committee attempts to set ranges for these metrics that encourage success without encouraging excessive risk taking to achieve short-term results.

The use and equal weighting of both revenue and EBITDA performance metrics in our PRU program limits the ability of an executive to be rewarded for taking excessive risk on behalf of our Company by, for example, seeking revenue-enhancing opportunities at the expense of EBITDA, since performance is required on both metrics to maximize payout under the PRU program.

The measures used to determine vesting of our PRUs are based on rolling three-year performance periods. The committee believes that these three-year performance periods encourage executives to attain sustained performance over several periods, rather than performance in a single period.

Our time-vested RSUs vest over a three-year period, encouraging executives to look to long-term appreciation in equity values.

Our management incentive plan provides that executives will only receive payments if the Company achieves at least 60% of the target operating income. Similarly, our PRU program provides that executives will bank PRU shares if we achieve at least 60% of the revenue and EBITDA targets. The committee believes that these minimum thresholds discourage management from taking excessive risk to achieve performance at a higher percentage of the established target.

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Our management incentive plan and PRU program both have maximum thresholds which limit payouts recognizing exceptional performance. Maximum thresholds encourage management to exceed established performance targets however mitigate risk by limiting payouts which avoid excessive risk-taking or sacrificing future period performance.

Our PRU program uses a modifier based on our Company's total stockholder return (TSR) based on stock price changes over a three-year period (using for each year's awards the 6-month trailing average closing price of the beginning of the year compared to the 6-month trailing average closing sales price three years later) relative to the TSR of peer companies selected by our compensation committee. Our compensation committee believes that the use of a 6-month trailing average closing stock price mitigates the potential risks of basing potential PRU payments on changes in stock prices that may not be reflective of long-term performance.

Individual Executive Officer Compensation

Base Salary. Base salaries for our executive officers are set with regard to the level of the position within our Company, the individual's performance in recent periods, and the executive's potential for continued development within our global organization. The base salary levels, and any increases or decreases to those levels for each executive officer, are reviewed and approved each year by our compensation committee. Such adjustments may be based on factors such as the overall performance of our Company, new roles and responsibilities assumed by the executive, the performance of the executive officer's area of responsibility, the executive officer's impact on strategic goals, the length of service with our Company, or revisions to our compensation philosophy. However, there is no specific weighting applied to any one factor in setting the level of base salary, and the process ultimately relies on the subjective exercise of our compensation committee's judgment. Although salaries are generally targeted at the 25th to 50th percentile of our peer group and relevant compensation survey data, our compensation committee may also take into account historical compensation, internal parity with other executives, potential as a key contributor, and special recruiting and retention situations. We believe that providing base salaries within the market 25th to 50th percentile of our peer group and the broader market survey provided by our compensation consultants will enable us to remain competitive for qualified executive officers while avoiding paying amounts in excess of what we believe necessary to attract and retain such executive officers.

Base Salaries for 2015. Base salary deliberations for 2015 were conducted from December 2014 to February 2015.

In February 2015, Mr. Edman, our chief executive officer, met with our compensation committee to present recommendations for each of our executive officers (other than himself). In considering these recommendations, the compensation committee reviewed the composite market survey data provided by Radford and peer group data. Mr. Edman recommended that the base salary of Mr. Chung not be changed as his compensation remained above the median for officers holding similar positions in comparable companies, while the base salary for Messrs. Soder and Schull be increased slightly as both would remain in the 25th to 50th percentile of our peer companies. After its review, in February 2015 our compensation committee approved the base salaries recommended by Mr. Edman for our other executive officers.

For 2015, our compensation committee ultimately recommended, and all of our non-employee directors approved, increasing the base salary for Mr. Edman to \$650,000 which still positioned him slightly below the 25th percentile of CEOs of our 2015 Peer Group. The 2015 increases in base pay for our executive officers, including Mr. Edman, became effective on March 16, 2015. A summary of base salary increases made for 2015 is outlined below for each of our executive officers:

Name	Base Salary		Y/Y Change
	2014	2015	
Thomas T. Edman	\$ 620,000	\$ 650,000	4.8%
Chung Tai Keung, Canice	\$ 752,000 ⁽¹⁾	\$ 752,000 ⁽²⁾	0%
Douglas L. Soder	\$ 412,000	\$ 424,000	2.9%
Todd B. Schull	\$ 370,000	\$ 400,000	8.1%
Brian W. Barber ⁽³⁾	N/A	\$ 353,100	N/A

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- (1) Includes housing allowance of approximately \$260,000 Also includes an additional component of base salary of approximately \$107,000 paid subsequent to 2014 year end, as is consistent with competitive practices in the region in recognition of the Chinese New Year.
- (2) Includes housing allowance of approximately \$260,000 Also includes an additional component of base salary of approximately \$107,000 paid subsequent to 2015 year end, as is consistent with competitive practices in the region in recognition of the Chinese New Year.
- (3) Mr. Barber joined our Company on June 1, 2015 as a result of the Viasystems acquisition.

Base Salaries for 2016. Base salary deliberations for 2016 were conducted from December 2015 to February 2016.

In February 2016, Mr. Edman, our chief executive officer, met with our compensation committee to present recommendations for each of our executive officers (other than himself). In considering these recommendations, the compensation committee reviewed the composite market survey data provided by Mercer and peer group data. Mr. Edman recommended that the base salary of Mr. Chung not be changed, as his compensation remained above the median for officers holding similar positions in comparable companies, while the base salary for Messrs. Soder, Schull and Barber be increased, bringing each closer to the 50th percentile of our peer companies. After its review, in February 2016 our compensation committee approved the base salaries recommended by Mr. Edman for our other executive officers.

For 2016, our compensation committee ultimately recommended, and all of our non-employee directors approved, maintaining the base salary for Mr. Edman at \$650,000. The 2016 increases in base pay for our executive officers became effective on April 1, 2016. A summary of base salary increases made for 2016 is outlined below for each of our executive officers:

Name	2015	Base Salary 2016	Y/Y Change
Thomas T. Edman	\$ 650,000	\$ 650,000	0%
Chung Tai Keung, Canice	\$ 752,000 ⁽¹⁾	\$ 752,000 ⁽²⁾	0%
Douglas L. Soder	\$ 424,000	\$ 450,000	6.1%
Todd B. Schull	\$ 400,000	\$ 420,000	5.0%
Brian W. Barber	\$ 353,100	\$ 375,000	6.2%

- (1) Includes housing allowance of approximately \$260,000. Also includes an additional component of base salary of approximately \$107,000 paid subsequent to 2015 year end, as is consistent with competitive practices in the region in recognition of the Chinese New Year.
- (2) Includes housing allowance of approximately \$260,000. Also includes an additional component of base salary of approximately \$107,000 paid subsequent to 2016 year end, as is consistent with competitive practices in the region in recognition of the Chinese New Year.

Annual Incentive Bonus Plan. In addition to base salaries, our compensation committee believes that annual performance-based cash bonuses play an important role in providing incentives to our executive officers to achieve near-term performance goals. To support collaboration within our senior management team, our compensation committee rewards all of our executive officers for company-wide performance by tying bonus awards to our operating income and the generation of free cash flow. The compensation committee believes operating income is a good indicator in capturing our success given the market in which we compete and is a measure that management can easily track and communicate to employees throughout the performance period. Each executive officer has a target annual incentive bonus opportunity, expressed as a percentage of base salary, with the ability to earn above or below that target based on our Company's actual performance. Payments pursuant to our management incentive plan are intended to qualify as Performance Awards under our 2006 Incentive Compensation Plan, referred to as the 2006 Plan, and our TTM Technologies, Inc. 2014 Incentive Compensation Plan, referred to as the 2014 Plan, and thereby constitute performance-based compensation not subject to the deductibility limitations of Section 162(m).

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For 2015, in response to the recommendation of management, our compensation committee determined that the incentive bonuses for Messrs. Chung and Soder should be based 24% on our global operating income, 6% of global cash flow from operations as a percentage of revenue and 48% on the operating income of the business unit for which such executive is primarily responsible and 12% of cash from operations as a percentage of revenue for that business unit. The incentive bonus for Messrs. Edman and Schull is based upon 72% of the global operating income and 18% of the global cash flow from operations as a percentage of revenue. In addition, 10% of the target bonus for each of such officers was based on individual goals proposed by our chief executive officer and approved by our compensation committee. Mr. Barber's incentive bonus for 2015 was based on the bonus plan established by Viasystems Group, Inc. prior to the acquisition of Viasystems in June 2015. Annual incentive bonus compensation programs for other management personnel are based on a combination of consolidated company, business unit and/or facility results, as well as individual goals that are established with input from the specific employee and his or her supervisors. Further, our Company must achieve a minimum of 60% of the global operating income target for any payout to be earned under the annual incentive bonus plan. This type of program design motivates business units to work together to achieve greater returns for our stockholders. In any one year, because we are comprised of a number of different business units, managers in high-performing business units may receive significantly more compensation than managers in business units that do not perform well.

Because such a large percentage of executive officer compensation is performance-based, our compensation committee invests significant time determining the financial target for our annual cash bonus program. In general, management makes the initial recommendation for the financial target based upon our Company's annual board-approved budget, as well as the bonus opportunity for each officer, and these recommendations are reviewed and discussed by the committee and its advisors. The major factors used in setting one or more targets for a particular year are the results for the most recently completed year and the budget for the current year. Other factors taken into account may include general economic and market conditions. Our compensation committee sets the final corporate performance goal during our first quarter, typically at a level our compensation committee believes is challenging, but reasonable, for management to achieve.

At the end of each year, our compensation committee determines the level of achievement for the specified financial goal (after making any appropriate adjustments to such goal for the effects of corporate events that were not anticipated in establishing the performance measure) and awards credit for the achievement of the goal as a percentage of the target bonus. Final determinations as to bonus levels are then based on that percentage. Actual bonuses are generally paid to the executives in the first quarter of the subsequent year.

In setting annual incentive compensation financial targets and bonus opportunities for our executive officers, our compensation committee does not consider the effect of past changes in stock price. In addition, incentive compensation decisions are made without regard to length of service. For example, executive officers with longer service or who are eligible for retirement do not receive greater or lesser awards, or larger or smaller target amounts, in any given year than executives with shorter service.

2015 Annual Incentive Bonuses. For 2015, our compensation committee determined to make the following changes from our 2014 management incentive plan:

- add operating cash flow as a percentage of global revenue as a component of the overall bonus calculation (while reducing the percentage allocated to global operating income to accommodate the inclusion of the operating cash flow as percentage of global revenue component) in order to incentivize cash management performance at the corporate level; and

- add operating cash flow as a percentage of the regional business unit revenue for the presidents of each of our business units (while reducing the percentage allocated to regional business unit operating income to accommodate the inclusion of the regional measurement of operating cash flow) in order to incentivize cash management performance at the business unit level.

Our compensation committee determined to include operating cash flow as a bonus measurement because it provides an important emphasis on properly balancing profitability with the overall balance sheet performance of

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our Company. This measurement will constitute approximately 20% of our overall financial goals used to calculate a bonus payout if achieved. The 2015 global and regional business unit operating income and operating cash flow as a percentage of revenue targets were again based on the annual budget previously approved by our board of directors, after excluding stock-based compensation expense (including compensation expense attributable to our PRU program), goodwill impairment, building and other significant asset sales, asset write-downs, plant closure and related layoff costs, acquisition costs, and amortization of intangibles. Upon achievement of the primary, operating income and operating cash flow as a percentage of revenue performance target(s), the bonus for each officer will become payable pursuant to the formula described in the following chart, but the actual bonus paid will still depend on the officer's achievement of the secondary, individual performance goals as discussed above. For Mr. Barber, his 2015 Incentive Bonus was based upon global EBITDA performance against budget for legacy Viasystems businesses for the seven months after closing through the end of the calendar year.

The table below lists the 2015 base salaries and bonus levels for each of our executive officers during 2015.

Name	2015 Base Salary	Annual Incentive Bonus Levels as % of Base Salary			
		60% of Target ⁽¹⁾	80% of Target	100% of Target	120% of Target ⁽²⁾
Thomas T. Edman	\$ 650,000	30%	50%	100%	230%
Chung Tai Keung, Canice ⁽³⁾	\$ 752,000	25%	37.5%	75%	160%
Douglas L. Soder	\$ 424,000	25%	37.5%	75%	160%
Todd B. Schull	\$ 400,000	25%	37.5%	75%	160%
Brian W. Barber ⁽⁴⁾	\$ 353,100	0%	35%	70%	140%

- (1) Represents the percentage of 2015 base salary that the executive received since we achieved at least 60% of the operating income target(s) established by our board of directors. Bonuses would not have been earned if operating income was less than 60% of the target(s).
- (2) Represents maximum potential bonus payout.
- (3) Includes housing allowance of approximately \$260,000. Also includes an additional component of base salary of approximately \$107,000 paid subsequent to 2015 year end, as is consistent with competitive practices in the region in recognition of the Chinese New Year.
- (4) Represents full year salary.

In February 2016, our compensation committee reviewed our 2015 performance relative to the 2015 operating income goals for the first half (TTM only) and second half (combination of TTM and Legacy Viasystems businesses). The first half performance was certified at 146.7% of the global operating income target, 100.8% of the North America Business Unit target, and 191.1% of the Asia Pacific Business Unit target. The second half, which included legacy Viasystems business in the global performance, was certified at 105.2% of the global operating income target, 113.4% of the North America Business Unit target, and 110.9% of the Asia Pacific Business Unit target. In addition, the Committee certified the Viasystems- EBITDA target of 83.1% from close to year end. The compensation committee also reviewed and assessed the attainment of the individual goals that had been established for Messrs. Edman, Chung, Soder and Schull. We use particular performance goals to ensure that other important areas of our business are measured and emphasized, which may include but are not limited to customer satisfaction, market positioning and growth, structural and organizational improvements, as well as critical projects and assignments. Performance goals do not payout unless our Company achieves its threshold financial performance metrics. As a result, our compensation committee authorized the payment of 2015 incentive bonuses as follows:

Name	2015 Incentive Bonus
Thomas T. Edman	\$ 1,244,711
Chung Tai Keung, Canice	\$ 1,062,619
Douglas L. Soder	\$ 476,224
Todd B. Schull	\$ 538,753
Brian W. Barber ⁽¹⁾	\$ 101,797

- (1) Represents bonus earned from June 1, 2015 through December 28, 2015.

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2016 Annual Incentive Bonuses. The table below lists the 2016 base salaries and bonus levels for each of our current executive officers.

Name	2016 Base Salary	Annual Incentive Bonus Levels as % of Base Salary			
		60% of Target ⁽¹⁾	80% of Target	100% of Target	120% of Target ⁽²⁾
Thomas T. Edman	\$ 650,000	30%	50%	100%	230%
Chung Tai Keung, Canice	\$ 752,000 ⁽³⁾	25%	37.5%	75%	160%
Douglas L. Soder	\$ 450,000	25%	37.5%	75%	160%
Todd B. Schull	\$ 420,000	25%	37.5%	75%	160%
Brian W. Barber	\$ 375,000	25%	37.5%	75%	160%

- (1) Represents the percentage of 2016 base salary that the executive will receive if we achieve 60% of the operating income target(s) established by our board of directors. Bonuses will not be earned if operating income is less than 60% of the target(s).
- (2) Represents maximum potential bonus payout.
- (3) Includes housing allowance of approximately \$260,000. Also includes an additional component of base salary of approximately \$107,000 paid subsequent to 2016 year end, as is consistent with competitive practices in the region in recognition of the Chinese New Year.

Equity Awards. We believe that providing a significant portion of our executive officers' total compensation package in equity awards aligns the incentives of our executives with the interests of our stockholders and with our long-term success. By compensating our executives with our equity, executives receive a stake in our Company's financial future, and the gains realized in the long term depend on the executives' ability to drive our financial performance. Equity incentive awards are also a useful vehicle for attracting and retaining executive talent in a competitive market.

Our compensation committee develops its equity award determinations based on its judgment as to whether the total compensation packages provided to our executive officers, including prior equity awards and the level of vested and unvested equity awards then held by each participating officer, are sufficient to retain, motivate, and adequately reward the executive officers. This judgment is based in part on information provided by benchmarking studies. In addition, our compensation committee considers the accounting costs that will be reflected in our financial statements when establishing the forms of equity to be granted and the size of the grants, as well as the potential dilution associated with the equity awards.

We currently grant equity awards through our 2014 Plan, which was adopted by our board of directors and approved by our stockholders and permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, and other stock-based awards to our officers, directors, employees, and consultants.

We continued to use our equity compensation program judiciously in 2015. Our year-to-date gross burn rate (calculated using ISS's methodology for calculating burn rate, as a percentage of our total outstanding shares) as of December 2015 was 2.9% which approximates the 40th percentile of our peer companies. As of December 2015, our three-year average burn rate was 2.2% which is positioned between the 25th and 50th percentiles of our peer companies. We believe that these percentages demonstrate our commitment to careful and efficient use of the shares that stockholders have approved for issuance under our 2006 Plan and our 2014 Plan.

Since 2010, we have used two forms of equity for long-term equity incentive compensation for our executive officers: time-vested restricted stock units (RSUs) and performance RSUs (PRUs).

Restricted Stock Units. RSUs represent the right to receive one share of our common stock for each RSU upon the settlement date, which is the date on which certain conditions, such as continued employment with us for a pre-determined length of time, are satisfied. RSU awards reflect both increases and decreases in stock prices from the grant-date market prices and thus tie compensation more closely to changes in stockholder value at all

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levels compared to options, whose intrinsic value changes only when the market price of shares is above the exercise price. RSUs also have retention value even during periods in which our trading price does not appreciate, which supports continuity in the senior management team. In addition, RSUs allow our compensation committee to deliver equivalent value with use of fewer authorized shares.

Shares of our stock are issued to RSU holders as the awards vest. The vesting schedule for RSUs granted to our executive officers and other employees provides that each award vests in three equal annual installments, aimed at strengthening retention with our Company, except that recipients may be entitled to a pro-rata amount of RSUs in the case of the recipient's death, disability or retirement (voluntary termination by an employee who is at least 62 and has at least five years of continuous service). In 2015, we granted time-vested RSUs for an aggregate of 1,300,812 shares of our common stock to a total of 497 employees, of which time-vested RSUs for an aggregate of 198,431 shares were issued to Messrs. Edman, Chung, Barber, Soder and Schull.

Performance RSUs. In order to strengthen pay-for-performance, our compensation committee approved a long-term incentive program (referred to as the PRU Program) for our executive officers and certain other members of our senior management team. Under this program, PRUs are awarded to eligible officers. PRU awards are intended to reward officers to the extent we achieve specific pre-established financial performance goals and provide a long-term return to our stockholders relative to a broader market index. Implementation of this program represented an important step by our compensation committee to drive a pay-for-performance culture with a component explicitly linked to total stockholder return.

Under the PRU Program, a target number of PRUs is awarded at the beginning of each three-year performance period. The number of shares of our common stock released at the end of the performance period will range from zero to 2.4 times the target number depending on performance during the period. The performance metrics of the PRU Program are (a) annual financial targets, which for 2014, 2015 and 2016 are based on revenue and EBITDA, each of which is equally weighted, and (b) an overall modifier based on our Company's total stockholder return (referred to as TSR) over a three-year performance period relative to a TSR Peer Group of 17 peer companies selected by our compensation committee for 2014, a TSR Peer Group of 18 peer companies selected by our compensation committee for 2015, and a TSR peer group of 23 peer companies selected by our compensation committee for 2016, each as further described below. Payouts under the PRU Program are based on rolling three-year performance periods, and the annual financial metrics for future years may be different from those selected for 2014, 2015 and 2016.

Each PRU will be equal in value to one share of our common stock. Recipients of PRU awards generally must remain employed by us on a continuous basis through the end of the relevant performance period in order to receive any amount of the PRUs covered by that award, except that recipients may be entitled to a pro-rata amount of PRUs in the case of the recipient's death, disability or retirement (voluntary termination by an employee who is at least 62 and has at least five years of continuous service).

The key financial metrics of revenue and EBITDA are equally weighted under our PRU Program. The metric of EBITDA is generally intended to focus our executives on tangible growth and cost reduction opportunities. Our compensation committee believes that this is a key metric that both drives and demonstrates improved financial performance within our Company. Similar to our calculation of the operating income metric used in our annual incentive bonus program, EBITDA excludes stock-based compensation expense, goodwill impairment, building and other significant asset sales, asset write-downs, plant closure and related layoff costs, acquisition costs, amortization of intangibles, and loss on extinguishment of debt. It is also a complementary metric to the revenue metric used under the PRU Program. The combination of the two performance metrics limits the ability of an executive to be rewarded for taking excessive risk on behalf of our Company by, for example, seeking revenue-enhancing opportunities at the expense of EBITDA, since performance is required on both metrics to maximize payout under the PRU Program. The performance targets established by our compensation committee are used for compensation and budgeting purposes and should not be understood to be management's expectations or guidance relating to future financial performance.

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The TSR modifier is intended to ensure that there are no payouts or limited payouts under the PRU Program if our stock performance is significantly below the median TSR of our TSR Peer Group for the three-year performance period. If the annual financial goals (currently revenue and EBITDA) are met and if there is strong relative TSR performance over the three-year performance period, the PRU Program will provide substantial rewards to participants with respect to that performance period. However, even if revenue and EBITDA goals are achieved in each of the three years, there will be no payout if our stock performance is well below the median TSR of our TSR Peer Group.

Under the PRU Program, annual financial goals are set in the first quarter of each year, and performance is reviewed after the end of that year. For 2015 and 2016, the annual financial goals remain revenue and EBITDA, each of which is equally weighted. The percentage to be applied to each participant's target award ranges from zero to 160%, based upon the extent to which the two annual performance goals are achieved. If we do not achieve a 60% threshold level of revenue or EBITDA performance for the year, the amount earned for that performance element of one-third of the award is zero. If we achieve the 60% threshold for both the targeted levels of revenue and EBITDA performance for the year, a percentage (ranging on a sliding scale from 40% to 160%) will be applied to one-third of the participant's PRU award to determine the number of units earned during that year. If we achieve 120% or more of the target level of revenue or EBITDA, the amount earned for that performance element of the award will be 160% of one-third of the initial PRU award. For example, if a named executive officer received a target award of 234,000 PRUs, we use revenue and EBITDA as our annual financial goals for each of the three years in the performance period and we achieve (i) 130% of the revenue target and 60% of the EBITDA target in the first year, (ii) 100% of each of the revenue and EBITDA targets in the second year, and (iii) 120% of the revenue target and 55% of the EBITDA target in the third year, the participant would earn (and bank, pending application of the TSR modifier) 218,400 PRUs $((160\% \times 39,000) + (40\% \times 39,000) + (100\% \times 39,000) + (100\% \times 39,000) + (160\% \times 39,000) + (0 \times 39,000))$. At the end of the three-year performance period, the total units earned, if any, are adjusted by applying a modifier based on our Company's TSR based on stock price changes (using for each year's awards the 6-month trailing average closing price at the beginning of the year compared to the 6-month trailing average closing price three years later), assuming reinvestment of dividends, relative to the TSR of our TSR Peer Group (a TSR Peer Group of 17 peer companies for PRUs granted in 2014, and a TSR Peer Group of 18 peer companies for PRUs granted in 2015, each as further described below) for the three-year period. If our TSR is in the bottom 20th percentile of the applicable TSR Peer Group for 2014 and 2015 grants and 10% for 2016 grants, the modifier will be zero, and no shares will be released with respect to that three-year performance period. If our TSR is at or above the 80th percentile of the applicable TSR Peer Group for the period, the maximum modifier of 150% will apply, and the number of shares released will equal 150% of the number of units earned during the period with respect to annual financial metric performance. If our TSR is between the 20th and 50th percentile, the modifier will range on a sliding scale between .70 and 1.0. If our TSR is between the 50th and 80th percentile, the modifier will range on a sliding scale between 1.0 and 1.5.

For example, if a participant was credited with 218,400 PRUs at the end of the performance period and our TSR for that three-year period was at the 80th percentile of the applicable group of comparable companies, a total of 327,600 shares of our common stock would be released to the participant for that period $(218,400 \times 150\% = 327,600)$.

To achieve the maximum payout (240% of the initial PRU award), we must achieve the maximum annual financial goals for each of the three years in the relevant performance period and our TSR must meet or exceed the 80th percentile of the TSRs of the applicable group of comparable companies for that period. Award values will reflect changes in stock price (both increases and decreases) over the three-year period because awards are denominated in stock units payable in shares.

Our compensation committee approved a revision to the TSR modifier applicable to the PRU awards granted to provide for a modifier that compares our TSR to the TSR of a group of peer companies (which we refer to as the TSR Peer Group) over the three-year performance period. Our compensation committee believes that the selected peer group is more appropriate for determining TSR under our PRU Program as it provides a

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comparison of our Company's stock price performance against our global competitors and better alignment with stock holder investment choices. For 2016, the compensation committee modified our peer group to better reflect our competitors in the contract electronic manufacturing sector as viewed by the market and investment communities. As a result, they set the minimum threshold at 10% of our TSR Peer Group as a modifier for a payout. For 2015, our compensation committee selected the following companies to comprise the 2015 TSR Peer Group (collectively the 2015 TSR Peer Group):

AT&S Austria Technologie Flextronics International Ltd. HannStar Board Corporation Nanya Technology Corporat	Compeq Manufacturing Co., Ltd. Kingboard Chemical Holdings Ltd. Ibiden Co., Ltd. Sanmina Corporation	Daeduck Gds Co Ltd Gold Circuit Electronics Ltd., Multi-Fineline Electronix, Inc. Samsung Electro-Mechanics Co., Ltd.
SimmTech Co. Ltd. Unitech Printed Circuit Board Corp.	Tripod Technology Corporation WUS Printed Circuit Co., Ltd.	Unimicron Technology Corp. Zhen Ding Technology Holding Limited

For 2016, our compensation committee selected the following companies to comprise the 2016 TSR Peer Group (collectively the 2016 TSR Peer Group):

AT&S Austria Technologie Flextronics International Ltd. HannStar Board Corporation Nanya Technology Corporat	Compeq Manufacturing Co., Ltd. Kingboard Chemical Holdings Ltd. Ibiden Co., Ltd. Sanmina Corporation	Daeduck Gds Co Ltd Gold Circuit Electronics Ltd., Multi-Fineline Electronix, Inc. Samsung Electro-Mechanics Co., Ltd.
SimmTech Co. Ltd. Plexus Unitech Printed Circuit Board Corp.	Tripod Technology Corporation Celestica WUS Printed Circuit Co., Ltd.	Unimicron Technology Corp. Jabil Zhen Ding Technology Holding Limited
Benchmark	Chinpoon	

The TSR Peer Groups will be subject to adjustment to account for events such as acquisitions, mergers, and the like.

Equity Award Mix. Our compensation committee may in the future adjust the mix of equity award types or approve different awards as part of the overall long-term incentive award. Awards made in connection with a new, extended or expanded employment relationship may involve a different mix of performance and time-vested RSUs, options or other equity-related awards depending on our compensation committee's assessment of the total compensation package being offered.

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2015 Equity Awards. For 2015, our compensation committee determined to use the same long-term target amounts as 2014 for the presidents of our regional business units, while increasing the target amount for Mr. Schull so that all of our executive vice presidents received the same equity awards. Our compensation committee determined to increase Mr. Edman's equity grant to reflect his increased responsibilities and base salary as our chief executive officer, and increased the percentage of his long-term incentive target amount that consists of PRUs to 70% (compared to 55% in 2014) to further link our chief executive officer's compensation to performance. In addition, as discussed above, for our 2015 PRU program, the compensation committee determined to include a TSR modifier that will compare our TSR against the TSR of the TSR Peer Group.

The following table sets forth the estimated value of our 2015 equity awards and the number of time-vested RSUs and PRUs awarded to our executive officers for 2015.

Name	Dollar Value of RSUs		Number of RSUs ⁽¹⁾	
	Performance	Time-vested ⁽²⁾	Performance	Time-vested ⁽²⁾
Thomas T. Edman	\$ 910,000	\$ 390,000	127,451	54,622
Chung Tai Keung, Canice	\$ 385,000	\$ 315,000	53,992	44,118
Douglas L. Soder	\$ 385,000	\$ 315,000	53,992	44,118
Todd B. Schull	\$ 385,000	\$ 315,000	53,992	44,118
Brian W. Barber ⁽³⁾	\$	\$ 100,000		11,455

- (1) The number of RSUs awarded to each of our executive officers was calculated using a dollar value per share of \$7.14, which was the six-month trailing average closing price of our common stock as of February 2, 2015, the grant date for those awards. On February 25, 2015, the closing sales price for our common stock was \$8.80.
- (2) One-third of the RSUs vest on each of the first three anniversaries of the grant date.
- (3) Mr. Barber received a welcome grant of RSUs using a dollar value per share of \$8.73, which was the six-month trailing average closing price of our common stock as of June 23, 2015.

In February 2016, our compensation committee reviewed our 2015 performance relative to the 2015 revenue and EBITDA goals and certified performance at approximately 102.7% and 113.6% of those targets, respectively. We ranked the 29th percentile of TSR peer group over the three-year performance period applicable to the PRU awards granted in 2013. As a result, 270,818 shares were paid out under the 2013 PRU awards in 2016.

2016 Equity Awards. For 2016, our compensation committee determined to use the same long-term target amounts as 2015 for each our named executive officers. Our compensation committee balances the mix of time-vested RSUs, which are geared to promote retention, and PRUs, which are geared to grow long-term value with our Company, in accordance with the overall philosophy valuing both components of equity compensation, with an emphasis on driving long-term value. In determining the ratio between PRU and time-vested RSU awards, the compensation committee reviewed and took into consideration compensation practices at other companies, our compensation consultants recommendations, and the compensation committee's desire to insure that a significant portion of equity compensation be tied to our Company's performance against our peers. For 2016, the committee approved an increase in Mr. Edman's equity award to bring him closer to the 25th percentile of our peer groups. Additionally, the compensation committee desired to ensure that its equity program was competitive, provided long term retention of critical leadership talent, and best aligned pay practices with the interests of our stockholders. The following table sets forth the estimated value of our 2016 equity awards and the number of time-vested RSUs and PRUs awarded to our executive officers for 2016.

Name	Dollar Value of RSUs		Number of RSUs ⁽¹⁾	
	Performance	Time-vested ⁽²⁾	Performance	Time-vested ⁽²⁾
Thomas T. Edman	\$ 1,050,000	\$ 450,000	158,133	67,771
Chung Tai Keung, Canice	\$	\$ 315,000		47,440
Douglas L. Soder	\$ 385,000	\$ 315,000	57,982	47,440
Todd B. Schull	\$ 385,000	\$ 315,000	57,982	47,440
Brian W. Barber	\$ 385,000	\$ 315,000	57,982	47,440

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- (1) The number of RSUs awarded to each of our executive officers was calculated using a dollar value per share of \$6.64, which was the six-month trailing average closing price of our common stock as of March 2, 2016, the grant date for those awards. On March 2, 2016, the closing sales price for our common stock was \$6.76.
 - (2) One-third of the RSUs vest on each of the first three anniversaries of the grant date.
- The annual financial performance goal or goals for 2017 and future years will be established in the first quarter of each of those subsequent years, and may or may not be based on our revenue and/or EBITDA in those years. Whether any units credited under our 2014, 2015 and 2016 grants will be paid out in shares at the end of the applicable three-year period will depend on future results and our TSR during that period, neither of which is determinable until the end of the three-year period.

Other Compensation Elements

Nonqualified Deferred Compensation. In October 2011, we adopted a deferred compensation plan that allows our directors, executive officers and other eligible employees voluntarily to defer receipt, on a pre-tax basis, of some of the compensation they have earned. This plan allows eligible employees to defer more compensation than they otherwise would be permitted to defer under our 401(k) savings plan. Our compensation committee approved the deferred compensation plan as a competitive practice to help us attract and retain top talent, and we expect to re-evaluate the plan from time to time. Amounts credited under the plan are credited with deemed earnings, but we do not provide matching or other employer contributions under this plan. Due to its conservative design, the benefits provided under our deferred compensation plan are not considered a material element of an executive officer's overall compensation package. In 2014, Messrs. Soder and Schull elected to participate in our deferred compensation plan for 2015 and deferred a portion of their 2014 incentive bonuses paid in March 2015. In 2015, Messrs. Edman, Schull, and Soder elected to participate in our deferred compensation plan for 2016 and deferred a portion of their 2015 incentive bonuses paid in March 2016. In 2014 and 2015, Mr. Barber elected to participate in the legacy Viasystems deferred compensation plan and deferred a portion of his salary and bonus.

Other Compensation. All of our executive officers are eligible to participate in our employee benefit plans, including medical, dental, life insurance, and 401(k) plans. These plans are available to all of our employees and do not discriminate in favor of executive officers. It is generally our policy to not extend significant perquisites to executives that are not broadly available to our other employees. In designing these elements, we seek to provide an overall level of benefits that is competitive with that offered by similarly situated companies in the markets in which we operate based upon our general understanding of industry practice. These benefits are not considered by our compensation committee in determining the compensation of our executive officers.

Severance Payments and Accelerated Vesting of Equity Awards Upon Termination and/or a Change in Control.

All Employees.

We currently provide for the accelerated vesting of time-vested RSUs that otherwise would have vested during the one-year period beginning on the date of consummation of any change in control. We also provide, in the event of a voluntary termination of employment in connection with retirement (age 62 with at least five years of employment with our Company), our termination of a retirement-eligible employee without cause, or termination by reason of death or disability, for the acceleration of vesting of a pro-rated amount of RSUs based upon the number of months the retired, retirement-eligible, deceased or disabled employee was employed with us during the vesting period. In all other terminations of employment, including termination without cause, all unvested RSUs will be forfeited. In prior years we provided for the accelerated vesting of a pro-rated amount of RSUs on termination without cause.

Executive Officers and Certain Senior Officers.

Our board has approved Executive Change in Control Severance Agreements (Severance Agreements) for each of our executive officers and several other senior officers. Each Severance Agreement provides that, subject

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to our Company receiving a general release of claims from the executive, in the event the executive's employment is terminated (i) by our Company without Cause during a Pending Change in Control (as such terms are defined in the Severance Agreement) or within 12 months following a Change in Control (as defined in the Severance Agreement) or (ii) by the executive for Good Reason (as defined in the Severance Agreement) within 12 months following a Change in Control, the executive will be entitled to receive an amount in cash equal to two times the sum of (a) the executive's annual base salary and (b) the amount of the executive's annual target bonus for the year in which the executive was terminated assuming the achievement of 100% of the performance target levels associated with such annual target bonus. In addition, the Severance Agreements provide for accelerated vesting of all RSUs then outstanding in the event of a termination without Cause during a Pending Change in Control or within 12 months following a Change in Control or a termination by the executive for Good Reason within 12 months of a Change in Control. The change in control severance payments and accelerated vesting of equity awards are intended to provide a level of transition assistance in the event of an involuntary termination of employment and to keep our executives focused on our business rather than their personal circumstances. Our compensation committee believes these provisions are fair and reasonable based on its understanding of market practices among industry competitors and within the broader environment of technology companies and similarly sized businesses. We also believe that it is appropriate to require a termination of employment within one year following a change in control before full vesting is accelerated and the cash severance amounts become payable. We presume that such a termination would likely be due to the change in control and not the employee's performance. For executives not terminated within one year of a change in control, the executives would continue to vest in their awards as they contribute to the success of the surviving company.

Calculations of the payments due to our named executive officers upon certain terminations of employment and/or in connection with a change in control are set forth under Potential Payments upon Termination or Change in Control. We believe these severance benefits are an essential element of our compensation package for executive officers and assist us in recruiting and retaining talented individuals. In addition, we believe that it is more equitable to offer severance benefits based on a standard formula determined as a multiple of base pay and incentive bonus opportunity because severance often serves as a bridge when employment is involuntarily terminated, and should therefore not be affected by other, longer-term compensation arrangements. As a result, and consistent with the practice of most of our peer companies, other compensation decisions are not generally based on the existence of these change in control severance protections.

Director and Officer Indemnification Agreement. Effective December 10, 2014, we entered into an amended and restated indemnification agreement with each of our directors and an indemnification agreement with certain of our corporate officers, including all of our named executive officers. Pursuant to this indemnification agreement, each director or officer party thereto will be indemnified to the fullest extent permitted by applicable law against all expenses, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by such director or officer, or on such director or officer's behalf, arising out of his or her service as a director or officer. The indemnification agreement further provides procedures for the determination of an indemnitee's right to receive indemnification and the advancement of expenses.

Prohibitions on Hedging and Pledging of Shares. Among other things, our insider trading policy prohibits our executive officers from engaging in put, call, derivative or short sale transactions, as well as pledging our securities as collateral for a loan.

Stock Ownership Guidelines. In February 2016 we adopted ownership guidelines for our Chief Executive Officer only. Those guidelines allow the Chief Executive Officer five years to attain stock ownership with a value of three times his current salary, among other things. In addition, pursuant to our Corporate Governance Guidelines, our independent directors are ordinarily expected over time to beneficially own shares of our common stock having a value of at least three times their annual retainer (including shares owned outright, unvested shares, restricted stock units, and stock options).

Clawback Policy. Our compensation committee does not currently have an established clawback policy or practice regarding the adjustment or recovery of awards or payments if the relevant performance measures upon

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which they are based are restated or otherwise adjusted in a manner that would reduce the size of an award or payment. However, in compliance with the implementation of rules under the Dodd-Frank Act, the committee expects that in the future it will establish mechanisms under certain circumstances to recover incentive compensation in the event of a financial restatement or similar event.

Approval Process for Equity Grants

Executives and other employees currently receive long-term equity awards pursuant to the terms of our 2014 Plan. Awards may also be granted outside of the 2014 Plan to the extent those grants are permitted by the NASDAQ rules. Our compensation committee administers the 2014 Plan and establishes the rules for all awards granted thereunder, including grant guidelines, vesting schedules, and other provisions. The compensation committee reviews these rules from time to time and considers, among other things, the interests of our stockholders, market conditions, information provided by our compensation consultant and legal advisor, performance objectives, and recommendations made by our chief executive officer.

Our compensation committee reviews awards for all employees. The compensation committee has established a process in which our compensation committee reviews the recommendations of our chief executive officer for executives (other than himself) and other employees, modifies the proposed grants in certain circumstances, and approves the awards effective as of the date of its approval.

We have no practice of timing grants of stock options or RSUs to coordinate with the release of material non-public information, and we have not timed the release of material non-public information for the purpose of affecting the value of named executive officer compensation. In addition, our practice of calculating the number of equity awards based on the six-month trailing average closing price of our common stock mitigates the effects of both our stock price volatility and the impact of grant timing.

Impact of Tax and Accounting

As a general matter, our compensation committee takes into account the various tax and accounting implications of the compensation vehicles employed by us. However, while structuring compensation programs that result in more favorable tax and financial reporting treatment is a general principle, our compensation committee balances these goals with other business needs that may be inconsistent with obtaining the most favorable tax and accounting treatment for each component of compensation.

Our compensation committee will continue to consider steps that might be in our best interests to comply with Section 162(m) of the Code. However, in establishing the cash and equity incentive compensation programs for our executive officers, our compensation committee believes that the potential deductibility of the compensation payable under those programs should be only one of a number of relevant factors taken into consideration, and not the sole or primary factor. The compensation committee believes that cash and equity incentive compensation must be maintained at the requisite level to attract and retain the executive officers essential to our financial success, even if all or part of that compensation may not be deductible by reason of the limitations of Section 162(m) of the Code.

Tax Implications for Officers. Section 409A of the Code imposes additional income taxes on executive officers for certain types of deferred compensation that do not comply with Section 409A. We attempt in good faith to structure compensation so that it either conforms with the requirements of, or qualifies for an exception under Code Section 409A. Section 280G of the Code imposes an excise tax on payments to executives of severance or change of control compensation that exceed the levels specified in the Section 280G rules. Our executive officers could receive the amounts shown in the section entitled *Potential Payments Upon Termination or Change in Control* below as severance or change of control payments that could trigger this excise tax. We do not offer our officers as part of their change of control benefits any gross ups related to this excise tax under Code Section 4999.

Accounting Considerations. When determining amounts of long-term incentive grants to executives and employees, our compensation committee examines the accounting cost associated with the grants. Under

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Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 718, Compensation – Stock Compensation, grants of stock options and restricted stock units result in an accounting charge for us equal to the grant date fair value of those securities. For time-vested RSUs, the accounting cost is generally equal to the fair market value of the underlying shares of common stock on the grant date of the award. The cost is then amortized over the requisite service period. For PRUs, the accounting cost is calculated using a Monte Carlo simulation model. Our compensation committee believes that the many advantages of equity compensation, as discussed above, more than compensate for the non-cash accounting expense associated with them.

COMPENSATION COMMITTEE REPORT

The material in this report is not soliciting material, is not deemed filed with the SEC, and is not to be incorporated by reference into any filing of the company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Our compensation committee has reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Based on such review and discussion, the compensation committee recommended to our board of directors, and our board of directors approved, that the Compensation Discussion and Analysis be included in this proxy statement.

James K. Bass, Chairman

Ronald W. Iverson

Robert E. Klatell

Compensation Committee Interlocks and Insider Participation

During 2015, Messrs. Bass, Iverson and Klatell served on our compensation committee, with Mr. Bass appointed Chairman on April 24, 2013. None of these individuals had any contractual or other relationships with us during such year except as directors. No interlocking relationship exists between any member of our compensation committee and any member of any other company's board of directors or compensation committee.

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The following table sets forth compensation information for our named executive officers.

Name and Principal Position	Year	Salary	Bonus	Stock Awards ⁽¹⁾	Non-Equity Incentive Plan Compensation ⁽²⁾	Change in Pension Value and Non-Deferred Compensation Earnings	All Other Compensation ⁽³⁾	Total
Thomas T. Edman President, Chief Executive Officer, and Director	2015	\$ 643,077		\$ 919,534	\$ 1,244,711		\$ 10,795	\$ 2,818,117
	2014	\$ 603,846		\$ 617,887	\$ 274,277		\$ 10,400	\$ 1,506,410
	2013	\$ 528,846		\$ 558,821	\$ 751,729		\$ 226,999	\$ 2,066,395
Chung Tai Keung, Canice ⁽⁴⁾ Executive Vice President and President, Asia Pacific Business Unit	2015	\$ 488,761 ⁽⁵⁾		\$ 573,909	\$ 1,062,619		\$ 295,343	\$ 2,420,632
	2014	\$ 488,835 ⁽⁵⁾		\$ 393,576	\$ 228,107		\$ 295,388	\$ 1,405,906
	2013	\$ 489,051 ⁽⁵⁾	\$ 159,875 ⁽⁶⁾	\$ 410,770	\$ 554,510		\$ 291,129	\$ 1,905,335
Douglas L. Soder Executive Vice President and President, North America Business Unit ⁽⁷⁾	2015	\$ 421,231		\$ 573,909	\$ 476,224		\$ 10,790	\$ 1,482,154
	2014	\$ 412,000		\$ 393,576	\$ 135,037		\$ 10,400	\$ 951,013
	2013	\$ 409,692		\$ 410,770	\$ 527,214		\$ 10,200	\$ 1,357,876
Todd B. Schull Executive Vice President, Chief Financial Officer and Treasurer	2015	\$ 393,077		\$ 573,909	\$ 538,753		\$ 10,840	\$ 1,516,579
	2014	\$ 365,385		\$ 393,576	\$ 115,286		\$ 10,400	\$ 884,647
	2013	\$ 293,462		\$ 356,805	\$ 320,676		\$ 206,966	\$ 1,177,909
Brian W. Barber Senior Vice President and President, High Technology Business Units ⁽¹⁰⁾	2015 ⁽⁸⁾	\$ 205,975		\$ 119,361	\$ 101,797	⁽⁹⁾	\$ 378,501	\$ 805,634

(1) The grant date fair value of all stock awards has been calculated in accordance with ASC Topic 718, Compensation – Stock Compensation. In the case of time-based RSUs, the value is determined by multiplying the number of RSUs granted by the closing price of our common stock on the grant date. In the case of PRUs, the grant date fair value can only be determined for those tranches for which the revenue and EBITDA targets have been set as of the reporting date. As a result, the grant date fair value of PRUs is calculated using only the first tranche of each award; the second and third tranches are not included because the relevant performance-based vesting conditions have not been determined as of the initial reporting date of the awards. We use a Monte Carlo simulation model to calculate the grant date fair value of PRUs. For a discussion of valuation assumptions used in determining the grant date fair value of the awards, see Note 15 to our 2015 consolidated financial statements, included in our annual report on Form 10-K filed with the SEC.

PRUs have a potential payout of 0% to 240% of the target amount. For the 2015, 2014 and 2013 PRU awards, the values at the respective grant date, assuming the highest level of performance (240%) and the closing share price on such dates (\$8.80, \$8.00, and \$8.20, respectively), are as follows:

Name	Value at 240% Performance		
	2015	2014	2013
Thomas T. Edman	\$ 2,691,765	\$ 1,924,224	\$ 1,070,513
Chung Tai Keung, Canice	\$ 1,138,833	\$ 814,099	\$ 832,621
Douglas L. Soder	\$ 1,138,833	\$ 814,099	\$ 832,621

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Todd B. Schull	\$ 1,138,833	\$ 814,099	\$ 713,676
Brian W. Barber			

For the actual number of PRUs earned for the 2015, 2014 and 2013 performance periods, see the Outstanding Equity Awards at Fiscal Year-End table.

- (2) Amounts represent bonuses paid based on company performance criteria for each year shown. These bonuses were earned in such fiscal year, but not paid until the next fiscal year.

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- (3) For Messrs. Edman, Soder, and Schull, the amounts represent matching contributions by us to our 401(k) plan and a health wellness incentive. The amount in 2015 for Mr. Chung represents (i) a housing allowance of \$263,120 and (ii) contributions by us in the amount of \$32,223 to the Mandatory Provident Fund, a saving program for the retirement of residents in Hong Kong. The amount in 2015 for Mr. Barber represents (i) expenses relating to an overseas assignment of \$141,515, (ii) tax gross-up of \$150,153, (iii) foreign (HK) tax payments of \$37,625, (iv) an auto allowance of \$30,906; (v) contributions by us to our 401(k) plan and a non-qualified deferred compensation plan, (vi) club dues, (vii) and financial consulting fees.
- (4) The cash amounts paid to Mr. Chung in 2015 were paid in HKD and converted to U.S. Dollars using an average exchange rate of 0.1290 HKD per U.S. Dollar. The cash amounts paid to Mr. Chung in 2014 were paid in HKD and converted to U.S. Dollars using an average exchange rate of 0.1290 HKD per U.S. Dollar. The cash amounts paid to Mr. Chung in 2013 were paid in HKD and converted to U.S. Dollars using an average exchange rate of 0.1289 HKD per U.S. Dollar, respectively. Effective January 1, 2016, Mr. Chung was elected Executive Vice President, Asia Pacific Business Development.
- (5) The salary amounts for 2015, 2014, and 2013 for Mr. Chung include a component paid subsequent to each such fiscal year, as is consistent with competitive practices in the region in recognition of Chinese New Year, in the amount of \$107,412, \$107,428, and \$107,345, respectively.
- (6) Represents a retention bonus for each respective reporting year.
- (7) Effective January 1, 2016, Mr. Soder was elected Executive Vice President and President, Communications and Computing Business Unit.
- (8) Mr. Barber joined our Company on June 1, 2015 as a result of the Viasystems acquisition. The amounts in this table represent the period from June 1, 2015 through December 28, 2015.
- (9) Mr. Barber's change in Non-Deferred Compensation Earnings was (\$40,109).
- (10) Effective January 1, 2016, Mr. Barber was elected Executive Vice President and Chief Operating Officer.

Fiscal Year 2015 Grants of Plan-Based Awards

The following table provides information on awards granted under our annual management incentive plan for 2015 and awards of PRUs and awards of time-based RSUs granted as part of 2015 long-term incentive compensation.

Name	Type of Award	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares or Units ⁽³⁾	Fair Value of Stock Awards (\$/Sh)	Grant-Date Fair Value of Stock Awards ⁽⁴⁾
			Threshold	Target	Maximum	Threshold	Target	Maximum			
Thomas T. Edman	Incentive Bonus		\$ 195,000	\$ 650,000	\$ 1,495,000						
	PRU	2/25/2015				35,686	127,451	305,882		\$ 10.33	\$ 438,860
	RSU	2/25/2015							54,622	\$ 8.80	\$ 480,674
Chung Tai Keung, Canice	Incentive Bonus		\$ 188,800	\$ 564,000	\$ 1,203,200						
	PRU	2/25/2015				15,098	53,922	129,413		\$ 10.33	\$ 185,671
	RSU	2/25/2015							44,118	\$ 8.80	\$ 388,238
Douglas L. Soder	Incentive Bonus		\$ 106,000	\$ 318,000	\$ 678,400						
	PRU	2/25/2015				15,098	53,922	129,413		\$ 10.33	\$ 185,671
	RSU	2/25/2015							44,118	\$ 8.80	\$ 388,238
Todd B. Schull	Incentive Bonus		\$ 100,000	\$ 300,000	\$ 640,000						
	PRU	2/25/2015				15,098	53,922	129,413		\$ 10.33	\$ 185,671
	RSU	2/25/2015							44,188	\$ 8.80	\$ 388,238
Brian W. Barber	Incentive Bonus		\$ 72,091	\$ 144,183	\$ 288,365						
	RSU	6/23/2015							11,455	\$ 10.42	\$ 119,361

(1) Amounts represent the range of possible cash payouts for 2015 awards under our management incentive bonus plan.

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- (2) Amounts represent the range of shares that may be released at the end of the three-year performance period applicable to the PRU award assuming achievement of threshold performance. If our revenue and EBITDA performance is below threshold for each year during the performance period or if our TSR for the period is in the bottom 20th percentile of the TSR Peer Group, no shares will be released at the end of the period. See the discussion of PRU awards under Compensation Discussion and Analysis Equity Awards.
- (3) The RSU awards vest one-third on each of the first, second and third anniversaries of the date of grant.
- (4) See footnote (1) to the Fiscal Year 2015 Summary Compensation Table for a description of the method used to determine the grant date fair value of stock awards.

Outstanding Equity Awards at Fiscal Year-End 2015

The following table sets forth the outstanding equity awards held by our named executive officers as of December 28, 2015.

Name	Option Awards		Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested ⁽¹⁾	Stock Awards	
	Number of Securities Underlying Unexercised Options	Unexercisable					Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Other Rights that Have Not Vested ⁽¹⁾
Thomas T. Edman	4,000		\$ 13.35	6/22/2016				
					14,195 ⁽²⁾	\$ 96,668		
					28,634 ⁽³⁾	\$ 194,998		
					54,622 ⁽⁴⁾	\$ 371,976		
							45,691 ⁽⁸⁾	\$ 311,156
						103,304 ⁽⁹⁾	\$ 703,500	
						137,883 ⁽¹⁰⁾	\$ 938,983	
Chung Tai Keung, Canice					11,538 ⁽⁵⁾	\$ 78,574		
					23,128 ⁽³⁾	\$ 157,502		
					44,118 ⁽⁴⁾	\$ 300,444		
							35,538 ⁽⁸⁾	\$ 242,014
							43,706 ⁽⁹⁾	\$ 297,638
						58,336 ⁽¹⁰⁾	\$ 397,268	
Douglas L. Soder	30,000		\$ 11.71	11/1/2016				
	3,333		\$ 10.97	8/5/2019				
	3,333		\$ 11.35	11/5/2019				
					11,538 ⁽⁵⁾	\$ 78,574		
					23,128 ⁽³⁾	\$ 157,502		
				44,118 ⁽⁴⁾	\$ 300,444			
						35,538 ⁽⁸⁾	\$ 242,014	
						43,706 ⁽⁹⁾	\$ 297,638	
						58,336 ⁽¹⁰⁾	\$ 397,268	
Todd B. Schull					9,772 ⁽⁶⁾	\$ 66,547		
					23,128 ⁽³⁾	\$ 157,502		
					44,118 ⁽⁴⁾	\$ 300,444		
							30,461 ⁽⁸⁾	\$ 207,439
							43,706 ⁽⁹⁾	\$ 297,638
						58,336 ⁽¹⁰⁾	\$ 397,268	
Brian W. Barber					11,455 ⁽⁷⁾	\$ 78,009		

- (1) Based on the closing price of our common stock on December 28, 2015.
- (2) Such RSUs vest on January 7, 2016.
- (3) Such RSUs vest 50% on each of February 19, 2016 and February 19, 2017.

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- (4) Such RSUs vest one-third on each of February 25, 2016, 2017 and 2018.
- (5) Such RSUs vested on February 28, 2016.
- (6) Such RSUs vested on February 20, 2016.
- (7) Such RSUs vest one-third on each of June 23, 2016, 2017 and 2018.
- (8) Represents the number of PRUs granted in fiscal 2013, adjusted for actual achievement during 2013, 2014 and 2015 on the annual metrics of revenue and EBITDA (each of which is equally weighted) with respect to the first one-third portion of the award attributable to 2013 performance, the second one-third portion of the award attributable to 2014 performance and the remaining one-third portion of the award attributable to 2015 performance. For 2013, performance on the annual revenue metric was 103.3% of target and performance on the annual EBITDA metric was 102.1% of target, resulting in a blended multiplier of 108.1% for the 2013 performance period. For 2014, performance on the annual revenue metric was 95.7% of target and performance on the annual EBITDA metric was 83.8% of target, resulting in a blended multiplier of 84.7% for the 2014 performance period. For 2015, performance on the annual revenue metric was 102.7% of target and performance on the annual EBITDA metric was 113.6% of target, resulting in a blended multiplier of 124.6% for the 2015 performance period. The blended multiplier of 108.1% for the 2013 performance period applies to the first one-third of the PRUs; the blended multiplier of 84.7% for the 2014 performance period applies to the second one-third of the PRUs; and the blended multiplier of 124.6% for the 2015 performance period applies to the remaining one-third of the PRUs. Total PRUs credited at the conclusion of 2015 are adjusted by our performance on TSR as compared to the TSR Peer Group, which determines the number of shares, if any, released at the end of the three-year performance period. Our TSR performance over such three-year performance period was at the 29th percentile, which resulted in a TSR modifier of 79.4% that applies to the shares banked under the 2013 PRU Awards. As a result, final payout under the 2013 PRU awards was 84% of the target number of shares granted.
- (9) Represents the number of PRUs granted in fiscal 2014, adjusted for actual achievement during 2014 and 2015 on the annual metrics of revenue and EBITDA (each of which is equally weighted) with respect to the first one-third portion of the award attributable to 2014 performance and the second one-third portion of the award attributable to 2015 performance. For 2014, performance on the annual revenue metric was 95.7% of target and performance on the annual EBITDA metric was 83.8% of target, resulting in a blended multiplier of 84.7% for the 2014 performance period. For 2015, performance on the annual revenue metric was 102.7% of target and performance on the annual EBITDA metric was 113.6% if target, resulting in a blended multiplier of 124.6% for the 2015 performance period. The blended multiplier of 84.7% for the 2014 performance period applies to the first one-third of the PRUs. The blended multiplier of 124.6% for the 2015 performance period applies to the second one-third of the PRUs, and the remaining units are reported at target and will be adjusted based on actual revenue and EBITDA performance during the 2016 period. Total PRUs credited at the conclusion of 2016 will be adjusted by our performance on TSR as compared to the TSR Peer Group, which will determine the number of shares, if any, released at the end of the three-year performance period.
- (10) Represents the number of PRUs granted in fiscal 2015, adjusted for actual achievement during 2015 on the annual metrics of revenue and EBITDA (each of which is equally weighted) with respect to the first one-third portion of the award attributable to 2015 performance. The blended multiplier of 124.6% for the 2015 performance period (as discussed in footnote 9) applies to the first one-third of the PRUs granted for 2015, and the remaining units are reported at target and will be adjusted based on actual revenue and EBITDA performance during the applicable 2016 and 2017 performance periods. Total PRUs credited at the conclusion of 2017 will be adjusted by our performance on TSR as compared to the TSR Peer Group, which will determine the number of shares, if any, released at the end of the three-year performance period.

Table of Contents**Option Exercises and Stock Vested in Fiscal Year 2015**

The following table sets forth information concerning the value realized by each of our named executive officers upon the exercise of stock option awards and vesting of stock awards during 2015.

Name	Option Exercises		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise ⁽¹⁾	Number of Shares Acquired on Vesting	Value Realized on Vesting ⁽²⁾
Thomas T. Edman	4,000	\$ 6,480	28,514	\$ 235,062
Chung Tai Keung, Canice			32,452	\$ 289,371
Douglas L. Soder	3,332	\$ 10,179	32,452	\$ 289,371
Todd B. Schull			21,336	\$ 190,853
Brian W. Barber				

- (1) The value realized equals the difference between the fair market value of our common stock on the date of exercise and the option exercise price, multiplied by the number of shares issued upon exercise of the options.
- (2) The value realized equals the fair market value of our common stock on the date of vesting multiplied by the number of shares released on vest date.

2015 Nonqualified Deferred Compensation Table

Under our nonqualified deferred compensation plan, our directors are permitted to defer 5% to 100% of any director fees received in a particular plan year, while our named executive officers are permitted to defer up to 100% of annual incentive bonuses received in a particular plan year. Interest on contributions is based on the valuation funds selected by our compensation committee and subsequently chosen by the participant. Funds held under the plan are paid out six months following the separation of any participant from service with our Company. The payout term will be in the form selected by the individual participant, unless the participant's separation from service with our Company is prior to retirement (which is considered under the plan to be on or after attainment of age 62 with at least five years of continuous service with our Company). If separation occurs prior to retirement or the participant's account balance is under \$25,000, the payout will be made in the form of a lump sum.

The following table sets forth information concerning our named executive officers' contributions, earnings, and balances under our nonqualified deferred compensation plan for the fiscal year 2015. We do not contribute to the deferred compensation plan, and in fiscal year 2015, there were no withdrawals by or distributions to the named executive officers.

Name	Executive Contributions in Last Fiscal Year ⁽¹⁾	Aggregate Earnings in Last Fiscal Year ⁽²⁾	Aggregate Balance at Last Fiscal Year End ⁽³⁾
Thomas T. Edman		(\$ 6,062)	\$ 385,493
Chung Tai Keung, Canice			
Douglas L. Soder	\$ 101,278	(\$ 5,671)	\$ 378,787
Todd B. Schull	\$ 86,465	(\$ 4,832)	\$ 349,992
Brian W. Barber ⁽⁴⁾		(\$ 40,109)	\$ 548,843 ⁽⁴⁾

- (1) Reflects amounts that have been reported as Non-Equity Incentive Plan Compensation in the Fiscal Year 2015 Summary Compensation Table.

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- (2) We do not provide above-market or preferential earnings on contributions to our nonqualified deferred compensation plan, so these amounts were not reported in the Fiscal Year 2015 Summary Compensation Table.

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- (3) None of these amounts were previously reported as compensation to the applicable named executive officer, as all amounts were earned in fiscal year 2014 and were reported in the Fiscal Year 2015 Summary Compensation Table as noted above.
- (4) Mr. Barber participated in the Viasystems NQDC plan which the company (Viasystems) contributed 3% of earnings above the established compensation maximums. This plan will close in 2016 and result in a distribution to participants.

Potential Payments upon Termination or Change in Control

We have entered into Executive Change in Control Severance Agreements (each, a Severance Agreement) with Messrs. Edman, Chung, Soder and Schull. Each Severance Agreement provides that, in the event the executive's employment is terminated by (1) our Company without cause during a pending change in control or within 12 months following a change in control, or (2) by the executive for good reason within 12 months following a change in control, the executive will be entitled to receive an amount in cash equal to two times the sum of (a) the executive's annual base salary and (b) the amount of the executive's annual target bonus for the fiscal year during which the executive is terminated assuming the achievement of 100% of the performance target levels associated with such annual target bonus. In addition, the unvested portions of all of such executive's time-vested RSUs then outstanding would immediately vest, in full, as of the date of termination. The Severance Agreements also provide for a twelve-month non-solicitation covenant and customary confidentiality obligations.

Further, in the event of a termination without cause (as such term is defined in the form of RSU Award Agreement) for the acceleration of vesting of a number of RSUs equal to the product obtained by multiplying the number of unvested RSUs that would vest in the 12 month period commencing on the date of grant, or if later occurring, the most recent anniversary of the date of grant, by a fraction, the numerator of which is the number of whole months since the date of grant, or if later occurring, the most recent anniversary of the date of grant, and the denominator of which is 12 months, rounded down to the nearest whole share.

The following tables set forth certain information regarding potential payments and other benefits that would be payable to each of our named executive officers upon a change in control of our Company and/or upon a termination (including for reasons of death, disability or retirement) of our named executive officer's employment. The tables below assume that the termination or change in control event took place on December 28, 2015.

Thomas T. Edman:

Executive Benefits ⁽¹⁾	Termination Without Cause	Change in Control (No Termination) ⁽²⁾	Termination Without Cause Pending a Change in Control ⁽²⁾	Termination Without Cause or for Good Reason, each Within 12 Months Following a Change in Control ⁽²⁾
Accelerated RSUs ⁽³⁾	\$ 88,612	\$ 318,163	\$ 663,641	\$ 663,641
Accelerated PRUs ⁽³⁾	\$	\$	\$	\$ 1,920,876
Severance ⁽⁴⁾	\$	\$	\$ 2,600,000	\$ 2,600,000

Chung Tai Keung, Canice:

Executive Benefits ⁽¹⁾	Termination Without Cause	Change in Control (No Termination) ⁽²⁾	Termination Without Cause Pending a Change in Control ⁽²⁾	Termination Without Cause or for Good Reason, each Within 12 Months Following a Change in Control ⁽²⁾
Accelerated RSUs ⁽³⁾	\$ 65,478	\$ 257,472	\$ 536,519	\$ 536,519
Accelerated PRUs ⁽³⁾	\$	\$	\$	\$ 944,077
Severance ⁽⁴⁾	\$	\$	\$ 2,632,000	\$ 2,632,000

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Executive Benefits⁽¹⁾	Termination Without Cause	Change in Control (No Termination)⁽²⁾	Termination Without Cause Pending a Change in Control⁽²⁾	Termination Without Cause or for Good Reason, each Within 12 Months Following a Change in Control⁽²⁾
Accelerated RSUs ⁽³⁾	\$ 65,478	\$ 257,472	\$ 536,519	\$ 536,519
Accelerated PRUs ⁽³⁾	\$	\$	\$	\$ 944,077
Severance ⁽⁴⁾	\$	\$	\$ 1,484,000	\$ 1,484,000

Todd B. Schull:

Executive Benefits⁽¹⁾	Termination Without Cause	Change in Control (No Termination)⁽²⁾	Termination Without Cause Pending a Change in Control⁽²⁾	Termination Without Cause or for Good Reason, each Within 12 Months Following a Change in Control⁽²⁾
Accelerated RSUs ⁽³⁾	\$ 55,454	\$ 245,446	\$ 524,493	\$ 524,493
Accelerated PRUs ⁽³⁾	\$	\$	\$	\$ 902,917
Severance ⁽⁴⁾	\$	\$	\$ 1,400,000	\$ 1,400,000

Brian W. Barber⁽⁵⁾:

Executive Benefits⁽¹⁾	Termination Without Cause	Change in Control (No Termination)⁽²⁾	Termination Without Cause Pending a Change in Control⁽²⁾	Termination Without Cause or for Good Reason, each Within 12 Months Following a Change in Control⁽²⁾
Accelerated RSUs ⁽³⁾	\$	\$ 26,007	\$	\$ 78,009
Accelerated PRUs	\$	\$	\$	\$
Severance	\$	\$	\$	\$

- (1) Amounts represented in the table do not include stock option awards, restricted stock units or performance-based restricted units that are fully vested, earned salary, and accrued vacation, as those items are earned and due to the named executive officer regardless of such termination or change in control events. It also does not include amounts payable under life insurance coverage, our accidental death and dismemberment coverage, or our business travel accident coverage, which are programs available to all of our full-time employees. The amounts listed assume that the termination or change in control event took place on December 28, 2015.
- (2) Assumes that the RSUs and PRUs are assumed by the acquiring entity in connection with the change in control.
- (3) The amount listed for accelerated RSUs and PRUs is based on the closing price of our common stock on December 28, 2015.
- (4) The amount listed is calculated with the formula described above using an annual target bonus of 100% of base salary for Mr. Edman and 75% of base salary for each of Messrs. Chung, Soder, and Schull, for fiscal year 2015, which represents the percentage of base salary payable as a bonus upon achievement of 100% of the performance target levels associated with such annual target bonus, as set forth in the Severance Agreements.
- (5) Mr. Barber did not have a Severance Agreement in 2015.

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EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to our common stock that may be issued upon the exercise of stock options, warrants, and rights under our 2000 Equity Compensation Plan, our 2006 Incentive Compensation Plan, and our TTM Technologies, Inc. 2014 Plan as of December 28, 2015.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights ⁽¹⁾	(b) Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights ⁽²⁾	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Stockholders	3,598,650	\$ 12.37	4,038,066
Equity Compensation Plans Not Approved by Stockholders			
Total	3,598,650	\$ 12.37	4,038,066

(1) Includes 3,178,936 RSUs and PRUs.

(2) The weighted average exercise price does not take into account the 3,178,936 RSUs and PRUs.

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PROPOSAL TWO APPROVAL OF PROPOSED

AMENDMENT TO THE 2014 PLAN

On March 2, 2016, our board of directors unanimously approved an amendment (the Plan Amendment) to 2014 TTM TECHNOLOGIES, INC. 2014 Incentive Compensation Plan (the 2014 Plan), and directed the submission of the Plan Amendment for approval by the Company's stockholders at the Annual Meeting.

If approved by our stockholders, the Plan Amendment would (i) increase the amount of the total number of shares reserved and available for issuance under the 2014 Plan from 4,000,000 to 9,000,000, plus any shares of our common stock still available for delivery under the TTM Technologies, Inc. 2006 Incentive Compensation Plan (the Prior Plan); (ii) reduce the annual limit of the fair market value of any grants made to non-employee directors from \$1,000,000 to \$500,000; (iii) provide for a minimum vesting period of no less than one year; and (iv) delete the ability for the Company to provide a loan to an award participant to purchase awards.

The board of directors considers the proposed increase in the number of shares of Common Stock available for issuance under the 2014 Plan desirable because it will give the board of directors the flexibility to issue additional awards to employees, non-employee directors, and consultants of the Company and our affiliates. The board of directors and management believe that this amount will be sufficient for the Company's equity compensation needs for the next two to three years. As of March 14, 2016, a total of 4,539,534 shares had been reserved under the 2014 Plan and the Prior Plan for awards previously granted to the Company's employees, non-employee directors, and consultants, and an additional 2,071,381 shares remained available for award at such date.

The board of directors considers the proposed changes in the Plan Amendment to be desirable because they bring the Plan more in line with generally accepted corporate governance guidelines and standards.

Set forth below is a summary of the principal provisions of the 2014 Plan, as amended by the Plan Amendment. The summary is qualified by reference to the full text of the Plan Amendment and the 2014 Plan. The Plan Amendment is attached as Annex A. Terms that are capitalized, but not defined, have the specific meaning provided in the 2014 Plan, as amended.

Purpose

The purpose of the 2014 Plan is to assist the Company in attracting, motivating, retaining and rewarding high-quality executives and other employees, officers, directors and consultants to the Company or its Related Entities by enabling such persons to acquire or increase a proprietary interest in the Company in order to strengthen the mutuality of interests between such persons and the Company's stockholders, and providing such persons with performance incentives to expand their maximum efforts in the creation of stockholder value.

Administration

The 2014 Plan is administered by the compensation committee except to the extent (and subject to the limitations imposed by Section 3(b) of the 2014 Plan, in which case the Plan shall be administered by only those members of the board of directors who are Independent members of the board of directors). The committee has full and final authority, subject to and consistent with the provisions of the 2014 Plan, to select Eligible Persons to become Participants, grant Awards, determine the type, number and other terms and conditions of, and all other matters relating to, Awards, prescribe Award Agreements and rules and regulations for the administration of the Plan, construe and interpret the Plan and Award Agreements and correct defects, supply omissions or reconcile inconsistencies therein, and to make all other decisions and determinations as the committee may deem necessary or advisable for the administration of the 2014 Plan.

Shares Available for Awards; Limitations

If any shares of our common stock subject to an award under the 2014 Plan, or after the Effective Date under the Prior Plan, are forfeited, expire or otherwise terminate without issuance of such shares is settled for cash or otherwise does not result in the issuance of all or a portion of the shares subject to such award, the shares

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to which those awards were subject, will, to the extent of such forfeiture, expiration, termination, non-issuance or cash settlement, again be available for delivery with respect to awards under the 2014 Plan.

In the event that any option or other award granted under the 2014 Plan, or after the Effective Date under the Prior Plan, is exercised through the tendering of shares (either actually or by attestation) or by the withholding of shares by us, then only the number of shares of our common stock issued net of the shares tendered or withheld will be counted for purposes of determining the maximum number of shares available for grant under the 2014 Plan.

Substitute awards will not reduce the shares of our common stock authorized for delivery under the 2014 Plan or authorized for delivery to a participant in any period. Additionally, in the event that a company acquired by us or any of our subsidiaries has shares available under a pre-existing plan approved by its stockholders and not adopted in contemplation of such acquisition or combination, the shares available for delivery pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for awards under the 2014 Plan and will not reduce the shares authorized for delivery under the 2014 Plan, provided, that awards using such available shares will not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and will only be made to individuals who were not employees or directors of us or our subsidiaries prior to such acquisition or combination.

Subject to the terms and provisions of the 2014 Plan, in any fiscal year no Participant who is a Director but is not also an Employee or Consultant may be granted any Awards that have a fair value as of the date of grant, as determined in accordance with FASB ASC Topic 718 (or any other applicable accounting guidance), that exceed \$500,000 in the aggregate.

Eligibility and Participation

Individuals eligible to participate in the 2014 Plan include each officer, Director, Employee or Consultants of the Company or any Related Entity. Subject to the provisions of the 2014 Plan, the Committee may, from time to time, in its sole discretion select from among eligible employees, non-employee directors, and consultants, those to whom awards shall be granted under the 2014 Plan, and shall determine in its discretion the nature, terms, conditions, and amount of each award.

Duration of the 2014 Plan

The 2014 Plan was adopted by our Board, and approved by our stockholders, at our annual meeting held on April 23, 2014 and became effective on such date. The 2014 Plan shall terminate at the earliest of (a) such time as no Shares remain available for issuance under the Plan, (b) termination of this Plan by the Board, or (c) the tenth anniversary of the Effective Date. Awards outstanding upon expiration of the Plan shall remain in effect until they have been exercised or terminated, or have expired.

Types of Awards

Options: Subject to the terms and provisions of the 2014 Plan, Options may be granted to participants as determined by the Committee, provided that such exercise price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of the Option and shall not, in any event, be less than the par value of a Share on the date of grant of the Option. Incentive Stock Option Awards may be granted to participants as determined by the Committee, provided that such exercise price shall not be less than 110% of the Fair Market Value of a Share on the date such Incentive Stock Option is granted.

Other than as provided by the 2014 Plan, the Committee shall not be permitted to (A) lower the exercise price per Share of an Option after it is granted, (b) cancel an Option when the exercise price per Share exceeds

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the Fair Market Value of the underlying Shares in exchange for cash or another Award, (C) cancel an outstanding option in exchange for an Option with an exercise price that is less than the exercise price of the original Options or (D) take any other action with respect to an Option that may be treated as a repricing pursuant to the applicable rules of the Listing Market, without approval of the Company's stockholders.

The Committee may, in its sole discretion, provide that the Shares to be issued upon exercise of an Option shall be in the form of Restricted Stock or other similar securities.

Stock Appreciation Rights: The Committee may grant Stock Appreciation Rights to any Eligible Person in conjunction with all or part of any Option granted under the Plan or at any subsequent time during the term of such Option or (a Tandem Stock Appreciation Right), or without regard to any Option (a Freestanding Stock Appreciation Right), in each case upon such terms and conditions as the Committee may establish in its sole discretion, not inconsistent with the provisions of the Plan. Such Stock Appreciation Rights are subject to the conditions and provisions of the 2014 Plan.

Restricted Stock Awards: Subject to the terms and provisions of the 2014 Plan, the Committee is authorized to grant Restricted Stock Awards to any Eligible Person. The terms of any Restricted Stock Award granted under the 2014 Plan shall be set forth in a written Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the 2014 Plan. During the period that the Restricted Stock Award is subject to a risk of forfeiture, and except as otherwise provided in the Award Agreement, the Restricted Stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant or Beneficiary.

Restricted Stock Unit Awards: Subject to the terms and provisions of the 2014 Plan, the Committee, at any time and from time to time, may grant Restricted Stock Unit Awards to participants in such amounts and upon such terms as the Committee shall determine. A Satisfaction of a Restricted Stock Unit Award shall occur upon expiration of the deferral period specified for Restricted Stock Unit Award by the Committee or, if permitted by the Committee as elected by the Participant in a manner that does not violate the requirements of Section 409A of the Code). Restricted Stock Unit Awards may be satisfied by delivery of Shares, cash equal to the Fair Market Value of the specified number of Shares covered by the Restricted Stock Units, or a combination thereof, as determined by the Committee at the date of grant or thereafter. Prior to satisfaction of a Restricted Stock Unit Award, a Restricted Stock Unit carries no voting or dividend or other rights associated with share ownership. Prior to satisfaction of a Restricted Stock Unit Award, except as otherwise provided in an Award Agreement and as permitted under Section 409A of the Code, a Restricted Stock Unit Award may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant or any Beneficiary. Except as otherwise determined by the Committee, upon termination of a Participant's Continuous Service during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award Agreement evidencing the Restricted Stock Unit Award), the Participant's Restricted Stock Unit Award that has not lapsed or otherwise been satisfied shall be forfeited. Unless otherwise determined by the Committee at the date of grant, and except as otherwise provided in the 2014 Plan, any Dividend Equivalents that are granted with respect to any Restricted Stock Unit Award shall be either (A) paid with respect to such Restricted Stock Unit Award at the dividend payment date, deferred or deferred at the election of the Participant.

Bonus Stock & Awards in Lieu: The Committee is authorized to grant Shares to any Eligible Persons as a bonus, or to grant Shares or other Awards in lieu of obligations to pay cash or deliver other property under the Plan or under other plans or compensatory arrangements, provided that, in the case of Eligible Persons subject to Section 16 of the Exchange Act, the amount of such grants remain within the discretion of the Committee.

Dividend Equivalents: The Committee is authorized to grant Dividend Equivalents to any Eligible Person entitling the Eligible Person to receive cash, Shares, other Awards, or other property equal in value to the dividends paid with respect to a specified number of shares or other periodic payments. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award.

Performance Awards: Subject to the terms and conditions of the 2014 Plan, the Committee, at any time and from time to time, may grant performance shares or performance units to participants in such amounts and upon such terms as the Committee shall determine. Each performance share shall have an initial value equal to the fair

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market value of a share of Common Stock on the date of grant. Each performance unit shall have an initial value that is established by the Committee at the time of grant which may be less than, equal to, or greater than the fair market value of a share of Common Stock. The Committee shall set performance criteria for a performance period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the award agreement, the value or number of each performance share or performance unit that will be paid to the participant.

Subject to the terms of the 2014 Plan, the Committee, in its sole discretion, may pay earned performance shares or performance units in the form of cash or in shares of Common Stock (or in a combination thereof) equal to the value of the earned performance shares or performance units, as applicable, at the end of the applicable performance period. Any shares of Common Stock may be granted subject to any restrictions deemed appropriate by the Committee. The Committee shall determine whether participants holding performance shares will receive dividend equivalents with respect to dividends declared with respect to the performance shares.

Other Stock-Based Awards: The Committee is authorized, subject to limitations under applicable law, to grant any Eligible Person such other Awards that may be denominated or payable to, valued in whole or in part by reference to, or otherwise based on, or related to, Shares, as deemed by the Committee to be consistent with the purposes of the Plan. Other Stock-Based Awards may be granted to Participants either alone or in addition to other Awards granted under the Plan, and such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards under the Plan. The Committee shall determine the terms and conditions of such Awards. Such awards may involve the transfer of actual shares of Common Stock to participants, or payment in cash or otherwise of amounts based on the value of shares of Common Stock.

Performance Measures: Notwithstanding any other terms of the 2014 Plan, the Committee, and not the Board shall exercise sole and exclusive discretion with respect to any Award that is intended to qualify as performance-based compensation under Section 162(m), to the extent necessary in order for such Award to so qualify.

Deferrals

The Committee may permit or require a participant to defer such participant's receipt of any award, or payment in settlement or exercise of any award, provided that any such deferral must comply with the applicable requirements of Section 409A of the Internal Revenue Code.

Tax Matters

The following is a brief summary of certain federal income tax consequences of certain transactions under the 2014 Plan under current laws and regulations. This summary is not intended to be exhaustive and does not describe state or local tax consequences.

Incentive Stock Options: The grant of an incentive stock option will not result in any immediate tax consequences to us or the optionee. An optionee will not recognize taxable income, and we will not be entitled to any deduction upon the timely exercise of an incentive stock option, but the excess of the fair market value of the shares of Common Stock acquired over the stock option price will be an item of tax preference for purposes of the alternative minimum tax. If the optionee does not dispose of the shares of Common Stock acquired within one year after their receipt (and within two years after the stock option was granted), gain or loss recognized on the subsequent disposition of the shares of Common Stock will be treated as long-term capital gain or loss. Capital losses of individuals are deductible only against capital gains and a limited amount of ordinary income. In the event of an earlier disposition, the optionee will recognize ordinary taxable income in an amount equal to the lesser of (i) the excess of the fair market value of the shares of Common Stock on the date of exercise over the stock option price, or (ii) if the disposition is a taxable sale or exchange, the amount of any gain recognized. Upon such a disqualifying disposition, we will be entitled to a deduction in the same amount and at the same time as the optionee recognizes such ordinary taxable income.

Nonqualified Stock Options: The grant of a nonqualified stock option will not result in any immediate tax consequences to us or the optionee. Upon the exercise of a nonqualified stock option, the optionee will recognize ordinary taxable income, and we will be entitled to a deduction, equal to the difference between the stock option price and the fair market value of the shares of Common Stock acquired at the time of exercise.

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Stock Appreciation Rights: The grant of either a tandem SAR or a freestanding SAR will not result in any immediate tax consequences to us or the grantee. Upon the exercise of either a tandem SAR or a freestanding SAR, any cash received and the fair market value on the exercise date of any shares of Common Stock received will constitute ordinary taxable income to the grantee. We will be entitled to a deduction in the same amount and at the same time.

Restricted Stock: A grantee normally will not recognize taxable income upon an award of restricted stock, and we will not be entitled to a deduction, until the termination of the restrictions. Upon such termination, the grantee will recognize ordinary taxable income in an amount equal to the fair market value of the shares of Common Stock at that time, plus the amount of any dividends and interest thereon to which the grantee then becomes entitled. However, a grantee may elect to recognize ordinary taxable income in the year the restricted stock is awarded in an amount equal to its fair market value at that time, determined without regard to the restrictions. We will be entitled to a deduction in the same amount and at the same time as the grantee recognizes income, subject to the limitations of Section 162(m) of the Internal Revenue Code.

Restricted Stock Units, Performance Shares and Performance Units: The grant of a restricted stock unit, performance share or performance unit will not result in any immediate tax consequences to us or the grantee. Upon payment of a restricted stock unit, performance share or performance unit, the grantee will recognize ordinary taxable income in an amount equal to the fair market value of the shares of Common Stock or cash received at that time. We will be entitled to a deduction in the same amount and at the same time, subject to the limitations of Section 162(m) of the Internal Revenue Code.

Payouts of Performance Compensation Awards: The designation of an award of restricted stock or performance shares or the grant of a restricted stock unit or a performance unit as a performance compensation award will not change the tax treatment described above to an employee who receives such an award or grant. Such a designation will, however, enable such award or grant to qualify as performance-based compensation not subject to the \$1 million limitation on deductible compensation under Section 162(m) of the Internal Revenue Code. Applicable taxes required by law will be withheld from all amounts paid in satisfaction of an award. The amount of the withholding will generally be determined with reference to the closing price of the shares of Common Stock as reported on the NASDAQ Capital Market on the date of determination.

The discussion set forth above is intended only as a summary and does not purport to be a complete enunciation or analysis of all potential tax consequences relevant to recipients of awards under the 2014 Plan. We have not undertaken to discuss the tax treatment of awards under the 2014 Plan in connection with a merger, consolidation, or similar transaction. Such treatment will depend on the terms of the transaction and the method of dealing with the awards in connection therewith.

Minimum Vesting Period

All awards granted under the Plan shall have a minimum vesting period that shall not be less than one year from the date of the grant of the Award.

Change of Control

Accelerated Vesting and Payment: Subject to the provisions of the 2014 Plan or as otherwise provided in the award agreement, in the event of a change of control, unless otherwise specifically prohibited under law or by the rules and regulations of a national securities exchange or market on which the shares are listed or traded:

Any and all stock options and SARs granted shall be accelerated to become immediately exercisable in full;

Any period of restriction and other restrictions imposed on restricted stock or restricted stock units shall lapse, and restricted stock units shall be deemed fully vested and payable; and

With respect to any outstanding Award subject to achievement of performance goals and conditions under the 2014 Plan, the Committee may, in its discretion, consider such Awards to have been earned and payable based on achievement of performance goals or based upon target performance (either in full or pro-rata based on the portion of the Performance Period completed as of the Change of Control).

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Compliance with Section 409A of the Internal Revenue Code: The Award Agreement for any Award that the Committee reasonably determines to constitute a nonqualified deferred compensation plan under Section 409A of the Code (a Section 409A Plan) and the provisions of the Section 409A Plan applicable to that Award, shall be construed in a manner consistent with the applicable requirements of Section 409A of the Code, and the Committee, in its sole discretion and without the consent of any Participant, may amend any Award Agreement (and the provisions of the Plan applicable thereto) if and to the extent that the Committee determines that such amendment is necessary or appropriate to comply with the requirements of Section 409A of the Code. If any Award constitutes a Section 409A Plan, then the Award shall be subject to the following additional requirements: (i) payments may be made only upon (a) the Participant's separation from service, (b) the date the Participant becomes disabled, (c) the Participant's death, (d) a specified time (or pursuant to a fixed schedule) specified in the Award Agreement at the date of the deferral of such compensation; or a change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the Company, or (f) the occurrence of an unforeseeable emergency. The time or schedule for any payment of the deferred compensation may not be accelerated, except to the extent provided in applicable Treasury Regulations or other applicable guidance issued by the Internal Revenue Service.

Amendment, Modification, Suspension, and Termination

The board may amend, alter, suspend, discontinue or terminate the 2014 Plan, or the Committee's authority to grant Awards under the 2014 Plan, without the consent of stockholders or Participants, subject to the conditions and provisions of the 2014 Plan.

Adjustment of Awards

The board may not amend, alter, suspend, discontinue or terminate the terms and conditions of an Award Agreement, as otherwise permitted by the Plan or Award Agreement, without the consent of an affected Participant. The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award Agreement relating thereto, except as otherwise provided in the Plan; provided that, except as otherwise permitted by the Plan or Award Agreement, without the consent of an affected Participant, no such Committee or Board action may materially and adversely affect the rights of such Participant under terms of such Award. No such Board action may materially and adversely affect the rights of such Participant under the terms of any previously granted and outstanding Award.

Clawback of Benefits

Subject to the terms and conditions of the 2014 Plan and any Award Agreement, the Company may (A) cause the cancellation of any Award, (b) requirement reimbursement of any Award by a Participant or Beneficiary, and (C) effect any other right of recoupment of equity or other compensation provided under this Plan or otherwise in accordance with the Company policies that currently exist or that may from time to time be adopted or modified in the future by the Company and/or applicable law (each, a Clawback Policy). In addition, a Participant may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise,

Vote Required for Approval

Approval of Proposal Two will require the affirmative vote of a majority of the votes cast by the holders of our Common Stock present in person or represented by proxy at the meeting and entitled to vote on the matter. Broker non-votes and abstentions will not count as votes in favor of or against the proposal and will have no effect on the vote total for the proposal.

Recommendation of the Board of Directors

Our board of directors recommends that stockholders vote FOR the Amendment to the company's 2014 Plan.

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PROPOSAL THREE APPROVAL OF PROPOSED AMENDMENT

TO CERTIFICATE OF INCORPORATION

The board of directors has determined that it is in the best interests of the Company and its stockholders to amend the Company's Certificate of Incorporation to increase the number of authorized shares of Common Stock of the Company from 200 million shares to 300 million shares. Accordingly, on March 2, 2016 the board of directors unanimously approved the proposed Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, in the form attached hereto as Annex B (the Certificate of Amendment), and hereby solicits the approval of the Company's stockholders of the Certificate of Amendment. If the stockholders approve the Certificate of Amendment, the Company currently intends to file the Certificate of Amendment with the Delaware Secretary of State as soon as practicable following stockholder approval. If the Certificate of Amendment is not approved by the stockholders, the existing Second Amended and Restated Certificate of Incorporation will continue in effect.

Of the 200 million shares currently authorized, as of March 14, 2016 the Company had 100,162,825 shares issued and outstanding and has reserved a total of 6,610,915 shares of common stock for issuance pursuant to the 2014 Plan and another 84,306,000 shares reserved for issuance upon the conversion of our outstanding convertible notes and exercise of the associated warrants, leaving the Company with only 8,920,260 shares authorized and available for issuance in the future.

The board of directors believes that it is in the Company's best interests to increase the number of authorized shares of common stock in order to have additional authorized but unissued shares available for issuance to meet business needs as they arise. The board of directors believes that the availability of such additional shares will provide the Company with the flexibility to issue common stock for possible future financing, stock dividends or distributions, acquisitions, equity based incentive plans, and other proper corporate purposes that may be identified in the future by the board of directors, without the possible expense and delay of a special stockholders' meeting. The Company's flexibility is in certain circumstances limited by NASDAQ rules and regulations that require stockholders to approve certain issues of common stock and securities exercisable to acquire common stock. The issuance of additional shares of common stock may have a dilutive effect on earnings per share and, for persons who do not purchase additional shares to maintain their pro rata interest in the Company, on such stockholders' percentage voting power.

If the stockholders approve the proposed Certificate of Amendment, the board of directors may cause the issuance of additional shares of Common Stock without further vote of the stockholders of the Company, except as provided under Delaware corporate law or under the rules of any securities exchange on which shares of Common Stock of the Company are then listed. Current holders of Common Stock have no preemptive or similar rights, which means that current common stockholders do not have a prior right to purchase any new issue of Common Stock of the Company in order to maintain their appropriate ownership thereof. The issuance of additional shares of Common Stock would decrease the proportionate equity interest of the Company's current stockholders and, depending upon the price paid for such additional shares, could result in dilution to the Company's current stockholders.

Except for the potential issuance of additional shares under the Company's 2014 Plan as further set forth in Proposal Three hereof, we have no present arrangements, agreements, understandings, or plans at the current time for the issuance or use of the additional shares of common stock proposed to be authorized. The board of directors does not intend to issue any common stock except on terms which the board of directors deems to be in the best interests of the Company and its stockholders.

Although the proposal to increase the authorized capital stock may be construed as having an anti-takeover effect, because authorized and unissued Common Stock could be issued for the purpose of discouraging an attempt by another person to take control of the Company, neither our management nor our board of directors views this proposal as an anti-takeover mechanism. In addition, this proposal is not part of any plan by us to recommend a series of anti-takeover amendments to our Certificate of Incorporation that could be construed to affect the ability of third parties to take over or change control of our Company.

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Vote Required and Recommendation of the Board of Directors

Approval of the Amendment to the Company's Certificate of Incorporation requires the affirmative vote of the holders of a majority of the shares of Common Stock outstanding as of the record date. **Our board of directors recommends that stockholders vote FOR the amendment to the Company's Certificate of Incorporation.**

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PROPOSAL FOUR

RATIFICATION OF APPOINTMENT OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

(a) Previous independent registered public accounting firm

As previously disclosed in our SEC filings, on February 27, 2014, our audit committee determined to dismiss PricewaterhouseCoopers LLP, which had been serving as our independent registered public accounting firm. The decision was approved by the audit committee of our board of directors. PricewaterhouseCoopers LLP was notified of the decision on February 28, 2014.

During the fiscal years ended December 31, 2012 and December 30, 2013 and the subsequent interim period through and including February 27, 2014, there were no (i) disagreements between us and PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PricewaterhouseCoopers LLP, would have caused PricewaterhouseCoopers LLP to make reference thereto in their reports on the financial statements for such years or (ii) reportable events as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

The reports of PricewaterhouseCoopers LLP on our consolidated financial statements as of and for the two fiscal years ended December 31, 2012 and December 30, 2013 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

We requested PricewaterhouseCoopers LLP to furnish a letter addressed to the SEC stating whether PricewaterhouseCoopers LLP agreed with the statements made in this section (a) by us. A copy of this letter, dated March 4, 2014 was filed as Exhibit 16 to our Current Report on Form 8-K, filed with the SEC on March 4, 2014.

(b) Current independent registered public accounting firm

On February 27, 2014, our audit committee selected KPMG LLP to audit our financial statements for the fiscal year ending December 29, 2014. The decision was approved by the audit committee of our board of directors and ratified by our stockholders at last year's annual meeting.

During the fiscal years ended December 31, 2012 and December 30, 2013 and the subsequent interim period through and including February 27, 2014, we did not consult with KPMG LLP regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our financial statements, and no written report or oral advice was provided that KPMG LLP concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement as that term is defined in Item 304(a)(1)(iv) of Regulation S-K or a reportable event as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

We have appointed KPMG LLP to serve as our independent registered public accounting firm for the fiscal year ending January 2, 2017 and recommend that stockholders vote in favor of the ratification of such appointment. In the event of a negative vote on such ratification, our board of directors will reconsider its selection. We anticipate that representatives of KPMG LLP will attend the annual meeting, will have the opportunity to make a statement if they desire, and will be available to respond to appropriate questions.

Table of Contents**Audit Fees**

The following is a summary of fees, all of which were approved by our audit committee, for audit and other professional services performed by KPMG LLP during the fiscal years ended December 28, 2015 and December 29, 2014:

	2015	2014
Audit fees	\$ 4,059,700	\$ 2,173,000
Audit-related fees	\$	\$
Tax fees	\$ 190,000	\$ 81,000
All other fees	\$ 2,550	\$ 2,550
Total	\$ 4,252,250	\$ 2,256,550

Audit fees include fees paid for the audits of our annual financial statements, including fees for services performed related to opening balance sheet audit procedures in conjunction with the acquisition of Viasystems Group, Inc. in 2015, and of internal control over financial reporting included in the Form 10-K, selected statutory audits, and reviews of financial statements included in Form 10-Q.

Tax fees includes fees paid for assistance provided with respect to tax matters associated with research and development, transaction costs and expatriate matters.

All other fees includes fees paid for the usage of accounting research software.

Pre-Approval Policy for Independent Registered Public Accounting Firm s Fees

In 2003, our audit committee adopted a formal policy concerning pre-approval of all services to be provided by our independent registered public accounting firm. The policy requires that all proposed services to be provided by our independent registered public accounting firm must be pre-approved by our audit committee before any services are performed. This policy includes all audit, audit-related, tax, and other services that our independent registered public accounting firm may provide to our Company. In evaluating whether to engage our independent registered public accounting firm for non-audit services, our audit committee considers whether the performance of services other than audit services is compatible with maintaining the independence of our independent registered public accounting firm. All of the services provided by KPMG LLP described in the table above were approved by our audit committee pursuant to our audit committee s pre-approval policies.

Our board of directors recommends a vote FOR the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 2, 2017.

In the event of a negative stockholder vote on the ratification of KPMG LLP as our independent registered public accounting firm, our audit committee will reconsider its selection.

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REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Our board of directors has appointed an audit committee consisting of three independent directors. All members of our audit committee are able to read and understand fundamental financial statements, including our balance sheet, statement of operations, statement of comprehensive income, and statement of cash flows. Most members of our audit committee have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in each individual's financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibility. Our board of directors has determined that Messrs. Franklin, and Mayer and Dr. Zakheim are independent directors, as defined by NASDAQ Marketplace Rule 5605(a)(2), and that Mr. Franklin qualifies as an audit committee financial expert.

The primary responsibility of our audit committee is to assist our board of directors in fulfilling its responsibility to oversee management's conduct of our financial reporting process, including overseeing the financial reports and other financial information provided by us to governmental or regulatory bodies (such as the SEC), the public, and other users thereof; our systems of internal accounting and financial controls; and the annual independent audit of our consolidated financial statements.

Management has the responsibility for our consolidated financial statements and the reporting process, including the systems of internal controls. Our independent registered public accounting firm engaged to conduct the audit of our 2015 financial statements, KPMG LLP, was responsible for auditing our consolidated financial statements and expressing an opinion on the conformity of those audited consolidated financial statements with generally accepted accounting principles.

In fulfilling its oversight responsibilities, our audit committee reviewed our consolidated audited financial statements with management and the independent registered public accounting firm. Our audit committee discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*. This included a discussion of the independent registered public accounting firm's judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with our audit committee under generally accepted auditing standards. In addition, our audit committee received from the independent registered public accounting firm written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's independence. Our audit committee also discussed with the independent registered public accounting firm their independence from management and our Company, including the matters covered by the written disclosures and letter provided by the independent registered public accounting firm. Our audit committee has concluded that KPMG LLP is independent from our Company and management.

Our audit committee discussed with the independent registered public accounting firm the overall scope and plans for its audits. Our audit committee met with the independent registered public accounting firm, with and without management present, to discuss the results of its audit, the internal controls of our Company, and the overall quality of our financial reporting. Our audit committee held five meetings during the fiscal year ended December 28, 2015.

Based on the reviews and discussions referred to above, our audit committee recommended to our board of directors, and our board of directors approved, that our audited consolidated financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 28, 2015 for filing with the SEC.

Our board of directors has adopted a written charter for our audit committee that reflects, among other things, requirements of the Sarbanes-Oxley Act of 2002, rules adopted by the SEC, and rules of NASDAQ.

This report has been furnished by our audit committee to our board of directors.

Philip G. Franklin, Chairman

John G. Mayer

Dov S. Zakheim

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Except as set forth below, during the fiscal year ended December 28, 2015, there were no transactions or series of similar transactions to which we were or are a party that involved an amount exceeding \$120,000 and in which any of our directors, executive officers, nominees for director, holders of more than 5% of any class of our voting securities, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest.

Certain affiliates of our Chinese subsidiaries engage in transactions with our Company, as described below.

Supply Arrangements with Affiliates of Related Parties

From time to time certain of our Chinese subsidiaries purchase laminate and prepreg from Suzhou Shengyi Sci Tech Co., Ltd. (SSST) and Shengyi Technology Co., Ltd. (Sytech). Approximately 15.8% of Sytech is owned indirectly by Top Mix Investments Limited, a company controlled by Mr. Tang Hsiang Chien, the father of our director, Mr. Tang Chung Yen, Tom. SSST is 75% owned by Sytech and 25% owned indirectly by Top Mix Investments Limited. We had total purchases from SSST and Sytech of \$39.4 million in 2015.

From time to time certain of our Chinese subsidiaries purchase laminate and prepreg from Hitachi Chemical Electronic Materials (Hong Kong) Limited (formerly known as Mica-Ava (Far East) Industrial Limited) (referred to as Hitachi (HK)) and Hitachi Chemical Electronic Materials (Guangzhou) Limited (formerly known as Mica-AVA (Guangzhou) Material Company Ltd.) (referred to as Hitachi (GZ)), former subsidiaries of Meadville engaged in the laminate business. Prior to November 18, 2011, Top Mix Investments Limited indirectly owned approximately 93.7% of each of Hitachi (HK) and Hitachi (GZ). Following completion of the disposal of a major portion of its holdings in Hitachi (HK) and Hitachi (GZ) to Hitachi Chemical Co., Ltd on November 18, 2011, Top Mix Investments Limited indirectly owns 25% of each of Hitachi (HK) and Hitachi (GZ). Purchases of laminate and prepreg by certain of our Chinese subsidiaries from Hitachi (HK) and Hitachi (GZ) are made on a spot basis from time to time. Total sales from Hitachi (HK) and Hitachi (GZ) to certain of our Chinese subsidiaries amounted to \$24.2 million in 2015.

On June 17, 2013, we completed the sale of our 70.2% controlling equity interest in Dongguan Shengyi Electronics Ltd. (SYE) to its non-controlling partner, Sytech, for 702.0 million Chinese RMB or approximately \$114.5 million. We continue to sell PCBs to SYE. Sales to SYE for the fiscal year ended December 28, 2015 were approximately \$4.7 million. Additionally, purchases from SYE for the year ended December 28, 2015 were approximately \$1.9 million. SYE will continue to be a related party, as Su Sih (BVI) Limited, one of our significant stockholders, holds an equity interest in the parent company of SYE.

ELECTRONIC AVAILABILITY OF PROXY STATEMENT AND 2015 ANNUAL REPORT

As permitted by SEC rules, we are making this proxy statement and our annual report on Form 10-K for 2015 available to stockholders electronically via the Internet on our website at www.ttm.com/stockholdersmeeting. On or about March 31, 2016, we began mailing to our stockholders a notice containing instructions on how to access this proxy statement and our annual report and how to vote online. If you received that notice, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for requesting such materials contained on the notice or set forth in the following paragraph.

If you received a paper copy of this proxy statement by mail and you wish to receive a notice of availability of next year's proxy statement either in paper form or electronically via e-mail, you can elect to receive a paper notice of availability by mail or an e-mail that will provide a link to these documents on our website. By opting to receive the notice of availability and accessing your proxy materials online, you will save our Company the cost of printing and mailing documents to you, reduce the amount of mail you receive, speed your ability to access the proxy materials and our annual report, and help preserve environmental resources. We encourage you to sign up for electronic proxy and annual report access or a paper notice of availability for future annual

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meetings. Stockholders may elect to receive electronic access or a paper notice by registering electronically on our website at www.ttmtech.com/stockholdersmeeting. If you received electronic or paper notice of availability of these proxy materials and wish to receive paper delivery of a full set of future proxy materials, you may do so at the same location.

Our annual report on Form 10-K for 2015, available on our website at www.ttm.com, contains financial and other information about our Company, but is not incorporated into this proxy statement and is not to be considered a part of these proxy soliciting materials or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Exchange Act. The information contained in the Compensation Committee Report and Report of the Audit Committee of the Board of Directors shall not be deemed filed with the SEC or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Exchange Act. If a stockholder received a paper copy of our annual report and does not wish to access our annual report through our website but rather requires an additional paper copy of our annual report on form 10-K, we will provide one, without charge, on the written request of any such stockholder addressed to our corporate secretary at 1665 Scenic Avenue, Suite 250, Costa Mesa, California 92626.

STOCKHOLDER PROPOSALS FOR OUR 2017 ANNUAL MEETING

If any stockholder intends to present a proposal to be considered for inclusion in our proxy material for the 2017 annual meeting of stockholders, the proposal must comply with the requirements of Rule 14a-8 of Regulation 14A of the Exchange Act and must be submitted in writing by notice delivered to our corporate secretary at 1665 Scenic Avenue, Suite 250, Costa Mesa, California 92626. Any such proposal must be received at least 120 days before the anniversary of the prior year's proxy statement (by December 2, 2016), unless the date of our 2016 annual meeting is changed by more than 30 days from May 12, 2016, in which case, the proposal must be received a reasonable time before we begin to print and mail our proxy materials.

In addition, our bylaws establish certain requirements for proposals a stockholder wishes to make from the floor of the 2017 annual meeting of stockholders. If the proposal is for a matter other than the nomination of a director for election at the meeting, the proposal must be written and delivered to our corporate secretary at the address set forth above not less than 90 days (by February 11, 2017) nor more than 120 days (January 12, 2017) prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or after such anniversary date, notice by the stockholder must be so delivered not earlier than 120 days prior to such annual meeting and not later than the later of (a) 90 days prior to such annual meeting or (b) five days following the day on which public announcement of the date of such meeting is first made by our Company. Our bylaws provide that a stockholder's notice of a proposal of business must set forth certain information relating to the proposed business desired to be brought before the meeting and the proposal itself, and information relating to the stockholder making the proposal.

If the proposal is for the nomination of a director for election at the meeting, the nomination must be delivered to our corporate secretary at the address listed above not less than 90 days (by February 11, 2017) and not more than 120 days (January 12, 2017) prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the 2016 annual meeting is more than 30 days before or after such anniversary date, notice by the stockholder must be so delivered not earlier than 120 days prior to such annual meeting and not later than the later of (a) 90 days prior to such annual meeting or (b) five days following the day on which we make the first public announcement of the date of such meeting. However, in the event that the number of directors to be elected to our board of directors at an annual meeting of stockholders is increased and there is no public announcement by us naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the date of the preceding year's annual meeting, the stockholder's notice will also be considered timely, but only with respect to nominees for the additional directorships, if it is delivered to our corporate secretary at the address listed above not later than five days following the day on which we first make a public announcement of additional directorships. Our bylaws set forth specific information that must be provided to our corporate secretary in connection with the nomination of a director for election at the annual meeting.

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OTHER MATTERS

As of the date of this proxy statement, we know of no matter that will be presented for consideration at the annual meeting other than the election of directors and the ratification of our independent registered public accounting firm. If, however, any other matter should properly come before the annual meeting for action by stockholders, the persons named as proxy holders will vote in accordance with the recommendation of the board of directors or, in the absence of such a recommendation, in accordance with the best judgment of the proxy holder.

By Order of the Board of Directors

Costa Mesa, California
March 31, 2016

Daniel J. Weber, Secretary

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Annex A

**AMENDMENT TO THE
TTM TECHNOLOGIES, INC.**

2014 INCENTIVE COMPENSATION PLAN

WHEREAS, the Board of Directors unanimously approved the following amendments to the TTM Technologies, Inc. 2014 Incentive Compensation Plan (the "Plan") and directed the submission of the amendments for approval by the Company's stockholders at the 2016 Annual Meeting; and

WHEREAS, the stockholders approved the amendments of the Plan at the 2016 Annual Meeting held on May 12, 2016.

NOW, THEREFORE, BE IT RESOLVED THAT the Plan is amended as follows:

1. Section 4(a) of the Plan is hereby amended to read as follows:

(a) **Limitation on Overall Number of Shares Available for Delivery Under Plan.** Subject to adjustment as provided in Section 10(c) hereof, the total number of Shares reserved and available for delivery under the Plan shall be equal to (i) 9,000,000, plus (ii) any Shares remaining available for delivery under the Prior Plan on the Effective Date of the Plan. Any Shares delivered under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares.

2. Section 4(c)(vi) of the Plan is hereby amended to read as follows:

(vi) Notwithstanding anything in this Section 4 to the contrary but subject to adjustment as provided in Section 10(c) hereof, in any fiscal year of the Company during any part of which the plan is in effect, no Participant who is a Director but is not also an Employee or Consultant may be granted any Awards that have a fair value as of the date of grant, as determined in accordance with FASB ASC Topic 718 (or any other applicable accounting guidance), that exceed \$500,000 in the aggregate.

3. Section 6(i) of the Plan is hereby amended to read as follows;

(i) **Other Stock-Based Awards.** The Committee is authorized, subject to limitations under applicable law, to grant to any Eligible Person such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares, as deemed by the Committee to be consistent with the purposes of the Plan. Other Stock-Based Awards may be granted to Participants either alone or in addition to other Awards granted under the Plan, and such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan. The Committee shall determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 6(i) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Shares, other Awards or other property, as the Committee shall determine.

4. Section 7(f) of the Plan is hereby added to read as follows:

(f) **Minimum Vesting Period.** All Awards granted under the Plan shall have a minimum vesting period that shall not be less than one year from the date after grant of the Award.

Dated: _____, 2016

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TTM TECHNOLOGIES, INC.

By:

[Daniel J. Weber, Secretary]

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Annex B

FORM OF
CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION
OF
TTM TECHNOLOGIES, INC.

The undersigned, being a duly authorized officer of TTM Technologies, Inc. (the Corporation), a corporation existing under the laws of the State of Delaware, does hereby certify as follows:

The Certificate of Incorporation of the Corporation is hereby amended by striking out the Article IV Subsection 1 thereof and by substituting in lieu thereof a new Article IV Subsection 1 reading as follows:

1. The Corporation shall have authority to issue a total of three hundred fifteen million (315,000,000) shares, consisting of (i) three hundred million (300,000,000) shares of common stock, \$0.001 par value per share (the Common Stock) and (ii) fifteen million (15,000,000) shares of preferred stock, \$0.001 par value per share (the Preferred Stock). The total number of shares of capital stock which the Corporation shall have authority to issue is Thirty One Million (31,000,000), of which Thirty Million (30,000,000) shares shall be Common Stock, par value \$0.01 per share (Common Stock), and One Million (1,000,000) shares shall be Preferred Stock, par value \$.01 per share (Preferred Stock).

That such amendment has been duly adopted in accordance with the provisions of the General Corporation Law of the State of Delaware by the affirmative vote of the holders of a majority of the stock entitled to vote at a meeting of stockholders.

Dated: _____, 2016

TTM TECHNOLOGIES, INC.
By:
Daniel J. Weber, Secretary

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ELECTRONIC ACCESS TO FUTURE DOCUMENTS

If you would like to receive future shareholder communications over the Internet exclusively and no longer receive any material by mail please visit <http://www.amstock.com>. Click on Shareholder Account Access to enroll. Please enter your account number and tax identification number to log in, then select **Receive Company Mailings via E-Mail** and provide your e-mail address.

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TTM TECHNOLOGIES, INC.

1665 Scenic Avenue, Suite 250

Costa Mesa, CA 92626

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

As an alternative to completing this form, you may enter your vote instruction by Internet at WWW.VOTEPROXY.COM and follow the simple instructions. Use the Company Number and Account Number shown on your proxy card.

The undersigned hereby appoints Daniel J. Weber as proxy, with full power of substitution, to represent and vote as designated on the reverse side, all the shares of Common Stock of TTM Technologies, Inc. held of record by the undersigned on March 14, 2016, at the Annual Meeting of Stockholders to be held at the Company's corporate offices located at 1665 Scenic Avenue, Suite 250, Costa Mesa, California 92626 at 8:00 a.m., local time on May 12, 2016, or any adjournment or postponement thereof.

(Continued and to be signed on the reverse side)

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**ANNUAL MEETING OF STOCKHOLDERS OF
TTM TECHNOLOGIES, INC.**

May 12, 2016

PROXY VOTING INSTRUCTIONS

INTERNET - Access **www.voteproxy.com** and follow the on-screen instructions or scan the QR code with your smartphone. Have your proxy card available when you access the web page.

Vote online until 11:59 PM EDT the day before the meeting.

MAIL - Sign, date and mail your proxy card in the envelope provided as soon as possible.

IN PERSON - You may vote your shares in person by attending the Annual Meeting.

GO GREEN - e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.amstock.com to enjoy online access.

COMPANY NUMBER

ACCOUNT NUMBER

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS:

The Notice of Meeting, Proxy Statement, and Annual Report

are available at <http://www.ttm.com/stockholdersmeeting>

i Please detach along perforated line and mail in the envelope provided **IF** you are not voting via the Internet. i

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THE BOARD OF DIRECTORS RECOMMENDS YOU VOTE FOR THE ELECTION OF THE DIRECTOR NOMINEES AND FOR PROPOSALS 2, 3 AND 4. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

		FOR	AGAINST	ABSTAIN
1. To elect James K. Bass, Thomas T. Edman, Tang Chung Yen, Tom, and Dov S. Zakheim as class I directors.				
	NOMINEES:			
.. FOR ALL NOMINEES	i James K. Bass
.. WITHHOLD AUTHORITY				
FOR ALL NOMINEES	i Thomas T. Edman
..				
FOR ALL EXCEPT	i Tang Chung Yen, Tom			
(See instructions below)				
	i Dov S. Zakheim

THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS INDICATED, WILL BE VOTED FOR THE ELECTION OF THE DIRECTOR NOMINEES AND FOR PROPOSALS 2, 3 AND 4.

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

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

Signature of Stockholder

Date:

Signature of Stockholder

Date:

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

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