

LITTELFUSE INC /DE
Form DEF 14A
March 17, 2010

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**United States
Securities and Exchange Commission
Washington, D.C. 20549
Schedule 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of The Commission Only (as Permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

Littelfuse, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (check the appropriate box):

No fee required.

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1) Title of each class of securities to which transaction applies:

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**Littelfuse, Inc.
O Hare Plaza
8755 West Higgins Road
Chicago, Illinois 60631**

Notice of Annual Meeting of Stockholders

April 30, 2010

The 2010 annual meeting of the stockholders of Littelfuse, Inc. (the Company) will be held at Chicago Marriott O Hare, 8535 West Higgins Road, Chicago, Illinois 60631, on Friday, April 30, 2010 at 9:00 a.m., local time, for the following purposes as described in the attached Proxy Statement:

1. To elect seven directors to serve a term of one year or until their successors are elected;
2. To approve and ratify the appointment by the Audit Committee of the Board of Directors of the Company of Ernst & Young LLP as the Company s independent auditors for the fiscal year of the Company ending January 1, 2011;
3. To approve the adoption of the Littelfuse, Inc. Long-Term Incentive Plan; and
4. To transact such other business as may properly come before the annual meeting or any postponement or adjournment thereof.

Stockholders of record of the Company at the close of business on March 1, 2010 will be entitled to vote at the meeting.

Mary S. Muchoney
Secretary

March 17, 2010

**Important Notice Regarding the Availability of Proxy Materials for the
Annual Meeting of Stockholders to Be Held on April 30, 2010:**

**The Proxy Statement and the 2009 Annual Report to Stockholders of Littelfuse, Inc.,
including the Annual Report on Form 10-K for the fiscal year ended January 2, 2010,
are available at www.proxyvote.com.**

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**Proxy Statement
for
Annual Meeting of Stockholders
To Be Held On**

April 30, 2010

We are furnishing this Proxy Statement to the stockholders of Littelfuse, Inc. in connection with the solicitation by the Board of Directors of Littelfuse, Inc. (the Board) of proxies to be voted at our annual meeting of stockholders to be held on April 30, 2010. The annual meeting will be held at Chicago Marriott O Hare, 8535 West Higgins Road, Chicago, Illinois 60631, at 9:00 a.m., local time, and at any postponements or adjournments of that meeting.

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

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

We will bear the cost of soliciting proxies. In addition to solicitation by mail, our officers and employees may solicit proxies by telephone or in person.

Under Securities and Exchange Commission rules, this Proxy Statement, our 2009 Annual Report to Stockholders, including our Annual Report on Form 10-K for the fiscal year ended January 2, 2010, and other proxy materials are available online at www.proxyvote.com. We encourage you to access and review all of the important information in the proxy materials before voting. The Notice of Internet Availability of Proxy Materials is first being mailed to stockholders on or about March 17, 2010.

Forward-Looking Information

Statements in this Proxy Statement not based on historical facts are considered forward-looking and, accordingly, may involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions and financial performance. These statements are intended to constitute forward-looking statements in connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We are providing this cautionary statement to disclose that there are important factors that could cause actual results to differ materially from those anticipated. See our Annual Report on Form 10-K for the year ended January 2, 2010 (the 2009 Form 10-K) filed with the Securities and Exchange Commission (the SEC) for a list of such factors in Item 1A. Risk Factors.

The Board of Directors recommends a vote FOR ALL the nominees for director named in Proposal 1, a vote FOR the approval and ratification of the appointment of Ernst & Young LLP as independent auditors as discussed in Proposal 2 and a vote FOR the approval of the Littelfuse, Inc. Long-Term Incentive Plan as discussed in Proposal 3.

Voting

Stockholders of record on the books of the Company at the close of business on March 1, 2010, the record date for the annual meeting, will be entitled to notice of and to vote at the meeting. A list of the stockholders entitled to vote at the meeting will be available for examination by any stockholder for any

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purpose germane to the meeting during ordinary business hours for a period of at least ten days prior to the meeting at our headquarters located at O Hare Plaza, 8755 West Higgins Road, Suite 500, Chicago, Illinois 60631 and at Wells Fargo Bank, N.A., our transfer agent, at 161 North Concord Exchange South, St. Paul, Minnesota 55075. On March 1, 2010, we had outstanding 21,880,155 shares of our common stock, par value \$.01 per share. Each outstanding share of common stock entitles the holder to one vote on each matter submitted to a vote at the meeting.

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

Our bylaws provide that a majority of all of the shares of common stock entitled to vote, whether present in person or represented by proxy, constitutes a quorum for the transaction of business at the meeting. Votes for and against, abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum. To determine whether a specific proposal has received sufficient votes to be passed, for shares deemed present, an abstention will have the same effect as a vote against the proposal, while a broker non-vote will not be included in vote totals and will have no effect on the outcome of the vote. The affirmative vote by the holders of a majority of the shares present (whether in person or by proxy) at the meeting will be required for the ratification of Ernst & Young LLP as independent auditors and the approval of the Long-Term Incentive Plan. With respect to the election of directors, the seven nominees who receive the most votes at the meeting will be elected.

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The following table sets forth certain information with respect to the beneficial ownership of our common stock as of March 1, 2010, by each person known by us to be the beneficial owner of more than 5% of our outstanding common stock, by each director, by each executive officer named in the Summary Compensation Table and by all of our directors and executive officers as a group. Information concerning persons known to us to be beneficial owners of more than 5% of our common stock is based upon the most recently available reports furnished by such persons on Schedule 13G as filed with the SEC. Of the shares reported, none are subject to pledge or lien in a margin account or pursuant to a loan agreement.

	Number of Shares of Common Stock Beneficially Owned(1)	
	Shares	Percent
Royce & Associates, LLC(2) 227 West Monroe Street, Suite 3000 Chicago, IL 60606	1,805,095	8.2%
Barrow, Hanley, Mewhinney & Strauss, Inc.(3) 2200 Ross Avenue 31st Floor Dallas, TX 75201	1,776,785	8.1%
Daruma Asset Management, Inc.(4) 80 West 40 th Street, 9 th Floor New York, NY 10018	1,698,700	7.8%
BlackRock, Inc.(5) 40 East 52 nd Street New York, New York 10022	1,636,685	7.5%
Lord, Abbett & Co. LLC(6) 90 Hudson Street Jersey City, NJ 07302	1,600,835	7.3%
T. Rowe Price Associates, Inc.(7) 100 E. Pratt Street Baltimore, MD 21202	1,186,000	5.4%
T. J. Chung(8)	13,492	*
John P. Driscoll(9)	62,364	*
Anthony Grillo(10)	101,723	*
John E. Major(11)	48,467	*
William P. Noglows(12)	11,335	*
Ronald L. Schubel(13)	50,354	*
Dal Ferbert(14)	105,577	*
Philip G. Franklin(15)	186,210	*
David W. Heinzmann(16)	70,643	*
Gordon Hunter(17)	178,311	*
Ryan K. Stafford(18)	41,145	*
All current directors and executive officers as a group (15 persons)	980,203	4.4%

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

- (1) Except as indicated in the footnotes to the table, the number of shares of common stock beneficially owned and percentage ownership are based on our outstanding common stock as of March 1, 2010, adjusted as required by rules promulgated by the SEC. Beneficial ownership is determined in accordance with the rules of the SEC and includes sole or shared voting or investment power with respect to such shares. All outstanding stock options and restricted stock units exercisable for or convertible into our common stock either currently or within 60 days after March 1, 2010 are deemed to be outstanding and

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to be beneficially owned by the person holding such securities for the purpose of computing the number of shares of common stock beneficially owned and the percentage ownership of that person, but are not deemed to be outstanding and to be beneficially owned for the purpose of computing the percentage ownership of any other person. Except as indicated in the footnotes to the table, based on information provided by the persons named in the table, such persons have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

- (2) As reported in an Amendment to its Schedule 13G filed with the SEC on February 8, 2010, 1,625,685 shares represent the total number of shares beneficially owned by Barrow, Hanley, Mewhinney & Strauss, Inc. (Barrow) as of December 31, 2009. Barrow has the sole power to vote with respect to 654,485 shares, shared power to vote with respect to 971,200 shares and sole power to dispose of 1,625,685 shares. Barrow's adviser clients have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, all securities beneficially owned by Barrow.
- (3) As reported in its Schedule 13G filed with the SEC on January 25, 2010, 1,805,095 shares represent the total number of shares beneficially owned by Royce & Associates, LLC (Royce) as of December 31, 2009. Royce has the sole power to vote and to dispose of 1,216,000 shares. Royce Value Plus Fund, managed by Royce, has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, 1,549,395 shares beneficially owned by Royce.
- (4) As reported in an amendment to its Schedule 13G filed with the SEC on February 16, 2010, 1,698,700 shares represent the total number of shares beneficially owned by Daruma Asset Management, Inc. (Daruma) as of December 31, 2009. Daruma has sole voting power over 625,500 of the shares and has sole dispositive power over all of the shares. Daruma's adviser clients have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, all securities beneficially owned by Daruma.
- (5) As reported in an amendment to its Schedule 13G filed with the SEC on January 29, 2010, 1,636,685 shares represent the total number of shares beneficially owned by BlackRock, Inc. (BlackRock) as of December 31, 2009. These shares were owned by Barclays Global Investors, NA and certain of its affiliates (collectively referred to as the BGI Entities). On December 1, 2009, BlackRock acquired the BGI Entities from Barclays Bank PLC, resulting in substantially all of the BGI entities being included as subsidiaries of BlackRock for purposes of Schedule 13G reports.
- (6) As reported in its Schedule 13G filed with the SEC on February 12, 2010, 1,600,735 shares represent the total number of shares beneficially owned by Lord, Abnett & Co. LLC (Lord Abbett), as of December 31, 2009. Lord Abbett has sole dispositive power as to all of the shares and sole voting power as to 1,404,611 of the shares. Securities reported as being beneficially owned by Lord Abbett, a registered investment advisor, are held on behalf of investment advisory clients, which may include investment companies registered under the Investment Company Act of 1940, employee benefit plans, pension funds or other institutional clients. A total of 1,091,234 shares are beneficially owned by Lord Abbett Research Fund, Inc. Small-Cap Value Series, a registered investment company, over which Lord Abbett exercises sole voting and dispositive power.
- (7) As reported in an amendment to its Schedule 13G filed with the SEC on February 12, 2010, 1,127,100 shares represent the total number of shares beneficially owned by T. Rowe Price Associates, Inc. (T. Rowe Price) as of December 31, 2009. T. Rowe Price, a registered investment advisor, is the beneficial owner of the shares, has sole voting power over 433,200 of the shares and has sole dispositive power over all of the shares. T. Rowe Price's adviser clients have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, all securities beneficially owned by T. Rowe Price.

- (8) Includes 6,389 shares held by the trustee of the Littelfuse Deferred Compensation Plan for Non-employee Directors (the Non-employee Directors Plan) for the benefit of Mr. Chung, 4,894 restricted stock units and 2,209 stock options exercisable within 60 days of March 1, 2010.

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- (9) Includes 19,029 shares held by the trustee of the Non-employee Directors Plan for the benefit of Mr. Driscoll, 6,350 restricted stock units and 36,985 stock options exercisable within 60 days of March 1, 2010.
- (10) Includes 22,388 shares held by the trustee of the Non-employee Directors Plan for the benefit of Mr. Grillo, 6,350 restricted stock units and 51,625 stock options exercisable within 60 days of March 1, 2010.
- (11) Includes 21,132 shares held by the trustee of the Non-employee Directors Plan for the benefit of Mr. Major, 6,350 restricted stock units and 20,985 stock options exercisable within 60 days of March 1, 2010.
- (12) Includes 6,350 restricted stock units and 4,985 stock options exercisable within 60 days of March 1, 2010.
- (13) Includes 17,019 shares held by the trustee of the Non-employee Directors Plan for the benefit of Mr. Schubel, 6,350 restricted stock units and 26,985 stock options exercisable within 60 days of March 1, 2010.
- (14) Includes 8,890 shares of restricted stock and 86,500 stock options exercisable within 60 days of March 1, 2010.
- (15) Includes 13,210 shares of restricted stock and 157,000 stock options exercisable within 60 days of March 1, 2010.
- (16) Includes 10,430 shares of restricted stock and 58,420 stock options exercisable within 60 days of March 1, 2010.
- (17) Includes 3,276 shares held by the trustee of the Non-employee Directors Plan for the benefit of Mr. Hunter, 45,290 shares of restricted stock, and 118,725 stock options exercisable within 60 days of March 1, 2010.
- (18) Includes 10,570 shares of restricted stock and 30,575 stock options exercisable within 60 days of March 1, 2010.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act) requires our executive officers, directors and holders of more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Based solely on our review of the copies of these reports and on information provided by the reporting persons, we believe that during the fiscal year ended January 2, 2010, our directors, executive officers and owners of more than 10% of our common stock complied with all applicable filing requirements.

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Proposal No. 1

Election of Directors

We are asking our stockholders to elect seven directors at the annual meeting to serve a term of one year or until their successors have been elected. The nominees for director, all of whom are now serving as directors, are listed below together with certain biographical information as of March 17, 2010.

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

Tzau-Jin (T. J.) Chung, age 47, has been a director of Littelfuse since July 2007. Mr. Chung is President and CEO of Navman Wireless, a market leader in fleet management solutions and GPS technologies. Mr. Chung assumed his position in early 2007 upon the acquisition of Navman Wireless from the New Technologies Division of Brunswick Corporation. Previously, Mr. Chung served as President of the New Technologies Division of Brunswick Corporation from 2002 to 2007. Prior to that, he served as Vice President Strategy of Brunswick Corporation, where he was responsible for corporate-wide strategic planning, mergers and acquisition and information technology. Mr. Chung earned his bachelor's degree in science, electrical and computer engineering from the University of Texas Austin. He also holds a Master of Science degree in computer science from North Carolina State University and a Master of Business Administration degree from the Fuqua School of Business at Duke University. Mr. Chung has been determined by the Board to be independent under the listing standards of the Nasdaq Global Select Market (NASDAQ). In nominating Mr. Chung for election as a director, our Board focused on his past experience in developing new products and his experience with operations in Asia as important attributes for his continuing to serve as one of our directors.

John P. Driscoll, age 74, has been a director of Littelfuse since February 1998. Mr. Driscoll has been President of Jack Driscoll Enterprises, Inc., a management consulting firm, since 1998. In June 1998, Mr. Driscoll retired as Executive Vice President of Murata Electronics North America, Inc. where he was responsible for corporate policy and strategy and oversaw government and industry relations. Mr. Driscoll joined Murata Electronics in 1979 as Vice President of Marketing and Sales, was appointed Senior Vice President Marketing and Sales in 1985 and assumed the position of Executive Vice President in 1995. Mr. Driscoll is a former Vice President of the Components Group of the Electronic Industry Alliance, and a twenty-year member of its Board of Governors. He was also affiliated with the Electronics Component and Technology Conference and the Japan American Society. Mr. Driscoll has been determined by the Board to be independent under NASDAQ listing standards. In nominating Mr. Driscoll for election as a director, our Board focused on his past experience with sales and distribution in the electronics industry and the knowledge of the Company that he has gained and shared from serving as a director since 1998 as important attributes for his continuing to serve as one of our directors.

Anthony Grillo, age 54, has been a director of Littelfuse since December 1991. Mr. Grillo is the founder and Chief Executive Officer of American Securities Advisors, LLC, an advisory and investment firm established in 2005. From 2001 through 2004, Mr. Grillo was a Senior Managing Director of Evercore Partners, Inc., where he founded the restructuring practice for the firm. From 1999 through 2001, Mr. Grillo was a Senior Managing Director of Joseph Littlejohn & Levy, Inc., a private equity firm. From 1991 through 1999, Mr. Grillo was a Senior Managing Director of the Blackstone Group L.P., an investment banking firm. During those years, Mr. Grillo was the co-founder of Blackstone's Restructuring and Reorganization Group, Chief Operating Officer of the firm's mergers and acquisition practice and a member of its Investment Committee. Mr. Grillo served on the Board of Silicon Graphics, Inc. and as the Chairman of its Compensation Committee. Mr. Grillo has been determined by the Board to be independent under NASDAQ listing standards. In nominating Mr. Grillo for election as a director, our Board focused on his past

experience in the financial markets, his experience with corporate acquisitions, his value as an audit committee financial expert and the knowledge of the Company that he has gained and shared from serving as a director since 1991 as important attributes for his continuing to serve as one of our directors.

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Gordon Hunter, age 58, has been a director of Littelfuse since June 2002 and became our Chairman of the Board, President and Chief Executive Officer in January 2005. Mr. Hunter became our Chief Operating Officer in November 2003. Prior to joining Littelfuse, Mr. Hunter was Vice President, Intel Communications Group, and General Manager, Optical Products Group. Mr. Hunter was responsible for managing Intel's access and optical communications business segments within the Intel Communications Group. Prior to joining Intel in February 2002, he served as President of Elo TouchSystems, a subsidiary of Raychem Corporation. Mr. Hunter also served in a variety of positions during a 20-year career at Raychem Corporation, including Vice President of Commercial Electronics and a variety of sales, marketing, engineering and management positions. Mr. Hunter currently serves on the Council of Advisors of Shure Incorporated and the Board of Directors of Rubicon Technology, Inc. In nominating Mr. Hunter for election as a director, our Board focused on his leadership, vision and execution as our Chief Executive Officer in growing and reshaping the Company and setting and communicating the proper cultural and behavioral tone as important attributes for his continuing to serve as one of our directors.

John E. Major, age 64, has been a director of Littelfuse since December 1991. Mr. Major has been President of MTSG, a strategic consulting and investments company, since 2003. From 2000 through 2003, he was Chairman and CEO of Novatel Wireless Inc., which provides wireless data access solutions for PDAs and notebook PCs. From 1998 through 1999, Mr. Major was Chief Executive Officer of Wireless Knowledge, a QUALCOMM and Microsoft joint venture. Before joining Wireless Knowledge in 1998, Mr. Major served as Corporate Executive Vice President of QUALCOMM, Inc. and President of its Wireless Infrastructure Division. Prior to joining QUALCOMM in 1996, Mr. Major served as Senior Vice President and Staff Chief Technical Officer at Motorola, Inc. Mr. Major serves as the Chairman of the Board of Directors of Broadcom Corporation and as a member of the Board of Directors of Lennox International Inc. and ORBCOMM, Inc., all SEC reporting companies. Mr. Major also previously served on the Board of Directors of Verilink Corporation until 2008. Mr. Major has been determined by the Board to be independent under NASDAQ listing standards. In nominating Mr. Major for election as a director, our Board focused on his seasoned experience from having served as an executive officer and on the boards and board committees of varied technology companies, his vision and expertise in matters of corporate governance, his expertise in technical development and the knowledge of the Company that he has gained and shared as a director since 1991 as important attributes for his continuing to serve as one of our directors.

William P. Noglows, age 52, has been a director of Littelfuse since February 2007. Mr. Noglows is Chairman, President and Chief Executive Officer of Cabot Microelectronics Corporation (NASDAQ:CCMP), a leading worldwide supplier of consumable products used in the semiconductor manufacturing process. Mr. Noglows assumed his current position at Cabot Microelectronics Corporation in 2003. Prior to that, he was an Executive Vice President and General Manager at Cabot Corporation. Mr. Noglows was a primary founder of Cabot Microelectronics, which has been a fully independent, publicly-traded entity since 2000. He received a bachelor's degree in chemical engineering from the Georgia Institute of Technology. Mr. Noglows has been determined by the Board to be independent under NASDAQ listing standards. In nominating Mr. Noglows for election as a director, our Board focused on his experience as chief executive officer of a leading public company and his expertise in developing technology as important attributes for his continuing to serve as one of our directors.

Ronald L. Schubel, age 66, has been a director of Littelfuse since June 2002. In September 2007, Mr. Schubel retired as Corporate Executive Vice President and President of the Americas Region for Molex Incorporated, a global manufacturer of interconnect systems. He began his career with Molex in 1981, spending four years in Singapore as President of the Far East South Region. Prior to joining Molex, Mr. Schubel worked for General Motors for 15 years. His last position with General Motors was Director of Operations for the Packard Electronics Division. Mr. Schubel has been determined by the Board to be independent under NASDAQ listing standards. In nominating Mr. Schubel for election as a director, our Board focused on his knowledge of managing manufacturing operations and his experience with operations in Asia as important attributes for his continuing to serve as one of our directors.

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Information Concerning the Board of Directors and Its Committees

Compensation of Directors. Directors who are not our employees are paid an annual director's fee of \$40,000, \$1,500 for each committee meeting attended in person and \$1,000 for each committee meeting attended by teleconference, plus reimbursement of reasonable expenses relating to attendance at meetings. In addition, our Lead Director is paid an additional annual retainer of \$7,500, the chairperson of the Audit Committee and the Compensation Committee are each paid an additional annual retainer of \$10,000, and the chairperson of the Nominating and Governance Committee and the Technology Committee are each paid an annual retainer of \$5,000. No additional fees are paid to directors who are also our full-time employees.

In addition to cash compensation, each non-employee director receives a grant of equity comprised of options and restricted stock units upon his or her election or reelection to the Board at the Company's Annual Meeting of Stockholders. In light of the difficult economic environment in 2009 and our company-wide efforts to reduce costs, the Board unanimously voted in January 2009 to reduce the value of the annual option and restricted stock unit awards for 2009 by approximately 25% from \$90,000 to \$67,500. It is anticipated that the directors will receive a full value equity award in the 2010 fiscal year.

Under the Littelfuse Deferred Compensation Plan for Non-employee Directors (the Non-employee Directors Plan), a non-employee director, at his election, may defer receipt of his cash director's fees. Such deferred fees are used to purchase shares of our common stock, and such shares and any distributions on those shares are deposited with a third party trustee for the benefit of the director until the director ceases to be a director of Littelfuse. In 2009, only Mr. Chung and Mr. Schubel elected to defer receipt of cash directors fees and be compensated in common stock under the Non-employee Directors Plan.

On April 27, 2007, the stockholders approved the amendment and restatement of the Littelfuse Outside Directors Stock Option Plan (the Outside Directors Plan), which changes the name of the Plan to the Littelfuse, Inc. Outside Directors Equity Plan and allows more discretion in the number and types or awards that could be granted. The Outside Directors Plan, as restated, allows awards of stock options, stock appreciation rights, restricted stock and restricted stock units. The Compensation Committee has determined that it will normally provide an annual grant in the form of stock options and restricted stock units under the Outside Directors Plan to our non-employee directors with an estimated value of \$90,000, but as mentioned above, the Board reduced the value to \$67,500 for 2009. The stock options and restricted stock units vest ratably over three years. The stock options have an exercise price equal to the fair market value of our common stock on the date of grant and have a seven-year term. The restricted stock units entitle the director to receive one share of common stock per unit upon vesting. The Outside Directors Plan was further amended effective as of July 28, 2008 to simplify the award grant process by eliminating the requirement that award agreements be executed by the Company and the recipient (unless the Board or Compensation Committee determines otherwise). On April 24, 2009, Messrs. Chung, Driscoll, Grillo, Major, Noglows and Schubel were each granted options to purchase 4,213 shares of common stock and 3,242 restricted stock units.

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The following table sets forth compensation paid to all persons who were non-employee directors at any time during 2009:

2009 Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Change in Pension Value and Nonqualified Non-Equity Deferred Incentive Plan Compensation			All Other Compensation (\$)	Total (\$)
				Earning (\$)	(\$)	(\$)		
T. J. Chung(1)	55,000	44,999	22,497				122,496	
John P. Driscoll	66,000	44,999	22,497				133,496	
Anthony Grillo	65,000	44,999	22,497				132,496	
John E. Major	66,250	44,999	22,497				133,746	
William P. Noglows	56,000	44,999	22,497				123,496	
Ronald L. Schubel(1)	65,250	44,999	22,497				132,746	

- (1) For 2009, Mr. Chung and Mr. Schubel elected to receive their compensation in the form of shares of common stock for which receipt is deferred under the Non-employee Directors Plan.
- (2) The amounts in this column reflect the full grant date fair value for the fiscal year ended January 2, 2010, in accordance with ASC Topic 718, of restricted stock unit awards under the Outside Directors Plan. Assumptions used in the calculation of these amounts are described in Note 13 to our audited financial statements for the fiscal year ended January 2, 2010 included in our Annual Report on Form 10-K filed with the SEC on February 26, 2010. The full grant date fair value of each restricted stock unit awarded in 2009, determined in accordance with ASC Topic 718, based on the assumptions discussed under the Summary Compensation Table below, without regard to when the award was recognized for financial reporting purposes, is equal to \$13.88. As of January 2, 2010, the aggregate number of shares underlying restricted stock unit awards outstanding for each of Messrs. Driscoll, Grillo, Major, Noglows and Schubel was 6,350 shares. As of January 2, 2010, the aggregate number of shares underlying restricted stock unit awards outstanding for Mr. Chung was 4,894 shares.
- (3) The amounts in these columns reflect the full grant date fair value for the year ended January 2, 2010, in accordance with ASC Topic 718 of option awards under the Outside Directors Plan (including predecessor plans), and thus include amounts from awards granted in 2009. Assumptions used in the calculation of these amounts are described in Note 13 to our audited financial statements for the fiscal year ended January 2, 2010 included in our Annual Report on Form 10-K filed with the SEC on February 26, 2010. The full grant date fair value of each option awarded in 2009, determined in accordance with ASC Topic 718, based on the assumptions discussed under the Summary Compensation Table below, without regard to when the award was recognized for financial reporting purposes, is equal to \$5.34. As of January 2, 2010, the aggregate number of shares underlying option awards outstanding was: Mr. Chung, 6,628 shares; Mr. Driscoll, 43,599 shares; Mr. Grillo, 58,239 shares;

Mr. Major, 27,599 shares; Mr. Noglows, 8,599 shares; and Mr. Schubel, 33,599 shares.

Attendance at Meetings. The Board held six meetings during fiscal year 2009. All of the directors attended 100% of the meetings of the Board and the committees on which they served. It is our policy that all of the directors attend our annual meeting of stockholders, and all directors attended the 2009 annual meeting.

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

Board Leadership Structure and Role in Risk Oversight. Our Chief Executive Officer, Gordon Hunter, also serves as the Chairman of the Board of Directors. Additionally, Ronald L. Schubel serves as the

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

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

Audit Committee. The Audit Committee of the Board (the "Audit Committee") is responsible for, among other things, the appointment, compensation, retention and oversight of the work of the independent registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. It is also the responsibility of the Audit Committee to (1) review the adequacy and effectiveness of the accounting and financial controls and procedures of the Company and (2) review transactions posing a potential conflict of interest between us and our directors, officers and affiliates. A copy of the Audit Committee Charter is available on our website at www.littelfuse.com. The Audit Committee met seven times in 2009. Members of the Audit Committee are Anthony Grillo, the Chairman of the Audit Committee, John E. Major and Ronald L. Schubel, each of whom has been deemed by the Board to be independent and meet the enhanced standard requirements for audit committee members under the NASDAQ rules and listing standards and the rules and regulations of the SEC. The Board has determined that Anthony Grillo is an audit committee financial expert as defined by the SEC based on his experience as a certified public accountant, investment banker and private equity investor.

Nominating and Governance Committee. It is the responsibility of the Nominating and Governance Committee of the Board (the "Nominating and Governance Committee") to identify individuals qualified to serve on our Board and to recommend those individuals the Board should nominate for election at our annual meeting of stockholders. The Board has adopted a charter for the Nominating and Governance Committee. A copy of that charter is available on our website at www.littelfuse.com. The Nominating and Governance Committee met three times during 2009. The Nominating and Governance Committee reviewed the performance of all of the current members of the Board and determined and recommended to the Board that all of the current directors should be nominated for re-election. In making this recommendation, consideration was given to matters such as attendance at meetings, preparation for meetings, input at meetings, interaction with other Board members, and other tangible and intangible benefits their service as directors brought to us. No other candidates were recommended or evaluated. Members of the Nominating and Governance Committee are John E. Major, the Chairman of the Nominating and Governance Committee, John P. Driscoll and William P. Noglows, each of whom has been deemed by the Board to be independent under NASDAQ listing standards.

Director Qualification Standards.

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

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

Familiarity with our business and our industry;

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

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

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

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

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

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

The name and address of the candidate; and

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

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

To be considered by the Nominating and Corporate Governance Committee for nomination and inclusion in our proxy statement for the 2011 Annual Meeting, stockholder recommendations for director must be received by us no later than November 17, 2010. Each stockholder recommendation must include the name and address of the nominating stockholder and the number of shares owned beneficially and of record by such stockholder.

Technology Committee. It is the responsibility of the Technology Committee of the Board (the Technology Committee) to review our research and development activities and ensure we maximize the use of appropriate technology throughout the organization. The Board has adopted a charter for the Technology Committee, which is available on our website at www.littelfuse.com. The Technology Committee met four times in 2009. Members of the Technology Committee are Gordon Hunter, the Chairman of the Technology Committee, T. J. Chung, John E. Major and Ronald L. Schubel.

Compensation Committee. The charter for the Compensation Committee of the Board (the Compensation Committee) is posted on our website at www.littelfuse.com. The Compensation Committee is charged in the charter with the authority to review our compensation practices and policies, review and recommend to the Board for its consideration and determination the compensation for the directors, Chief Executive Officer and the other executive officers, evaluate Chief Executive Officer performance, and annually review and report on our compensation discussion and analysis and recommend its inclusion in our Form 10-K and Proxy Statement. The Compensation Committee held six meetings in 2009. The members of the Compensation Committee are John P. Driscoll, the Chairman of the Compensation Committee, and William P. Noglows, each of whom has been deemed by the Board to be independent under NASDAQ listing standards. See the Compensation Committee Report below.

Processes and Procedures.

The Compensation Committee focuses on good governance practices and procedures in its operation. In 2009, this included:

Considering compensation for the Named Executive Officers (as defined below) in the context of all of the components of total compensation;

Reviewing prior compensation for the Named Executive Officers including all components of total compensation packages;

Conducting executive sessions with Compensation Committee members only; and

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Obtaining professional advice from an outside compensation consultant engaged directly by the Compensation Committee that enabled the Compensation Committee to make decisions in the Company's best interests, and having direct access to the outside compensation consultant.