

TRANS LUX CORP
Form 10-K
July 02, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

FORM 10-K

(Mark
One)

ANNUAL REPORT PURSUANT TO
SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT
OF 1934

For the fiscal year ended December 31,
2012

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 1-2257

TRANS-LUX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-1394750

(I.R.S. Employer
Identification No.)

Edgar Filing: TRANS LUX CORP - Form 10-K

26 Pearl Street, Norwalk, CT 06850-1647

(Address of registrant's principal executive offices) (Zip code)

Registrant's telephone number, including area code: (203) 853-4321

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

Title of each

class

Name of each exchange on which registered

Common Stock, \$0.001 par
value

None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act. Yes No

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

CONTINUED

TRANS-LUX CORPORATION

2012 Form 10-K Cover Page Continued

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 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

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

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

The aggregate market value of the registrant's voting Common Stock held by non-affiliates of the registrant based upon the last sale price of the registrant's Common Stock reported on OTCQB on June 30, 2012, was approximately \$11,912,000. The registrant has no non-voting common stock.

The number of shares outstanding of the registrant's Common Stock, par value \$0.001 per share, as of the latest practicable date, on July 1, 2013, was 25,895,424 shares of Common Stock.

Edgar Filing: TRANS LUX CORP - Form 10-K
DOCUMENTS INCORPORATED BY REFERENCE:

None.

TRANS-LUX CORPORATION

2012 Form 10-K Annual Report

Table of Contents

PART I

	Page
<u>ITEM 1.</u> Business	1
<u>ITEM 1A.</u> Risk Factors	4
<u>ITEM 1B.</u> Unresolved Staff Comments	8
<u>ITEM 2.</u> Properties	8
<u>ITEM 3.</u> Legal Proceedings	8
<u>ITEM 4.</u> Mine Safety Disclosures	8

PART II

<u>ITEM 5.</u> Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	9
<u>ITEM 6.</u> Selected Financial Data	9
<u>ITEM 7.</u> Management's Discussion and Analysis of Financial Condition and Results of Operations	9
<u>ITEM 7A.</u> Quantitative and Qualitative Disclosures About Market Risk	17
<u>ITEM 8.</u> Financial Statements and Supplementary Data	18
<u>ITEM 9.</u> Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	37
<u>ITEM 9A.</u> Controls and Procedures	37
<u>ITEM 9B.</u> Other Information	38

PART III

<u>ITEM 10.</u> Directors, Executive Officers and Corporate Governance	38
<u>ITEM 11.</u> Executive Compensation	43
<u>ITEM 12.</u> Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	48
<u>ITEM 13.</u> Certain Relationships and Related Transactions, and Director Independence	49
<u>ITEM 14.</u> Principal Accounting Fees and Services	50

PART IV

<u>ITEM 15.</u>	<u>Exhibits</u>	51
<u>Signatures</u>		54

Table of Contents

PART I

ITEM 1. BUSINESS

SUMMARY

Unless the context otherwise requires, the term Company as used herein refers to Trans-Lux Corporation and its subsidiaries. The Company is a leading designer and manufacturer of digital signage display solutions. The essential elements of these systems are the real-time, programmable digital displays the Company designs, manufactures, distributes and services. These display systems utilize LED (light emitting diode) technologies. Designed to meet the digital signage solutions for any size venue's indoor and outdoor needs, these display products include full color text, graphic and video displays for stock and commodity exchanges, financial institutions, college and high school sports stadiums, schools, casinos, convention centers, corporate applications, government applications, theatres, retail sites, airports, billboard sites and numerous other applications. In 2010, the Company started a new business opportunity in the LED lighting market with energy-saving lighting solutions that feature a comprehensive offering of the latest LED lighting technologies that provide facilities and public infrastructure with green lighting solutions that emit less heat, save energy and enable creative designs.

DIGITAL DISPLAY PRODUCTS

The Company's new generation of LED large screen systems features the latest digital display technologies and capabilities. The Company's product line of high performance state-of-the art digital displays and controllers are used to communicate messages and information in virtually any configuration in a variety of indoor and outdoor applications. Most of the Company's digital display products include hardware components and sophisticated software. In both the indoor and outdoor markets in which the Company serves, the Company adapts basic product types and technologies for specific use in various niche market applications. The Company also operates a direct service network throughout the United States and parts of Canada, which performs on-site project management, installation, service and maintenance for its customers and others.

The Company employs a modular engineering design strategy, allowing basic building blocks of electronic modules to be easily combined and configured in order to meet the broad application requirements of the various industries it serves. This approach ensures product flexibility, reliability, ease of service and minimum spare parts requirements.

The Company's Digital display market is comprised of two distinct segments: the Digital display sales division and the Digital display lease and maintenance division. Digital displays are used by financial institutions, including brokerage firms, banks, energy companies, insurance companies and mutual fund companies; sports stadiums and venues; educational institutions; outdoor advertising companies; corporate and government communication centers; retail outlets; casinos, race tracks and other gaming establishments; airports, train stations, bus terminals and other transportation facilities; movie theatres; health maintenance organizations and in various other applications.

Digital Display Sales Division: The Digital display sales market is currently dominated by five categories of users: financial, government/private sector, gaming, scoreboards and outdoor advertising.

The financial sector, which includes trading floors, exchanges, brokerage firms, banks, mutual fund companies and energy companies, has long been a user of electronic information displays due to the need for real-time dissemination of data. The major stock and commodity exchanges depend on reliable information displays to post stock and commodity prices, trading volumes, interest rates and other financial data. Brokerage firms use electronic ticker displays for both customers and brokers; they have also installed other larger displays to post major headline news events in their brokerage offices to enable their sales force to stay up-to-date on events affecting general market conditions and specific stocks. Banks and other financial institutions also use information displays to advertise product offerings to consumers. The financial sector has a product line of advanced last sale price displays, full color LED tickers and graphic/video displays.

The government/private sector includes applications found in major corporations, public utilities and government agencies for the display of real-time, critical data in command/control centers, data centers, help desks, visitor centers, lobbies, inbound/outbound telemarketing centers, retail applications to attract customers and for employee communications. Digital displays have found acceptance in applications for the healthcare industry such as outpatient pharmacies, military hospitals and HMOs to automatically post patient names when prescriptions are ready for pick up. Theatres use digital displays to post current box office and ticket information, directional information and to promote concession sales. Information displays are consistently used in airports, bus terminals and train stations to post arrival and departure times and gate and baggage claim information, all of which help to guide passengers through these facilities.

Table of Contents

The gaming sector includes casinos, Indian gaming establishments and racetracks. These establishments generally use large information displays to post odds for race and sporting events and to display timely information such as results, track conditions, jockey weights, scratches and real-time video. Casinos and racetracks also use digital displays throughout their facilities to advertise to and attract gaming patrons.

The scoreboard sector includes digital displays used by high schools, college sports stadiums, sports venues, municipal sports playing fields, entertainment facilities and recreational facilities to disseminate pertinent game information and advertising to the audience. This sector generally sells through dealers and distributors.

The outdoor advertising sector includes digital displays used by automobile dealerships, churches, military installations, gas stations, highway departments, entertainment facilities and outdoor advertisers, such as digital billboards, attempting to capture the attention of passers-by.

Equipment for the digital display sales segment generally has a lead-time of 30 to 120 days depending on the size and type of equipment ordered and material availability.

Digital Display Lease and Maintenance Division: The Digital display lease and maintenance division leases and performs maintenance on digital displays across all of the sectors under agreement terms ranging from 30 days to 10 years.

Sales Order Backlog (excluding leases): The amount of sales order backlog at December 31, 2012 and 2011 was approximately \$2.2 million and \$2.9 million, respectively. The December 31, 2012 backlog is expected to be recognized in 2013. These amounts include only the sale of products; they do not include new lease orders or renewals of existing lease agreements that may be presently in-house.

ENGINEERING AND PRODUCT DEVELOPMENT

The Company's ability to compete and operate successfully depends on its ability to anticipate and respond to the changing technological and product needs of its customers, among other factors. For this reason, the Company continually develops enhancements to its existing product lines and examines and tests new display technologies.

In 2010, the Company introduced TLVision™, our new generation of LED Large Screen Systems that feature the latest digital display technologies and capabilities, available in various pitch design, including the industry's first 3mm LED display solution. This new line of products consists of full color video products that can be used in a multitude of applications. These applications range from posting alphanumeric data to the displaying of full HD video. The pixel pitches of the products range from 3mm for very close distance viewing and up to 127mm for very long distance viewing. The Company also recently expanded its line of scoreboard solutions using its TLVision™ technology and improved hand-held, simple to operate remotes and wireless control devices.

As part of its ongoing development efforts, the Company seeks to package certain products for specific market segments as well as continually tracking emerging technologies that can enhance its products. Full color, live video and digital input technologies continue to be enhanced.

The Company maintains a staff of 8 people who are responsible for product development and support. The engineering, product enhancement and development efforts are supplemented by outside independent engineering consulting organizations, as required. Engineering expense and product enhancement and development costs amounted to \$696,000 and \$843,000 in 2012 and 2011, respectively.

MARKETING AND DISTRIBUTION

In North America, the Company markets its digital display products in the United States and Canada using a combination of distribution channels, including 9 direct sales representatives, one telemarketer and a network of independent dealers and distributors. By working with software vendors and using the internet to expand the quality and quantity of multimedia content that can be delivered to our digital displays, we are able to offer customers relevant, timely information, content management software and display hardware in the form of turnkey display communications packages.

Table of Contents

The Company employs a number of different marketing techniques to attract new customers, including direct marketing efforts by its sales force to known and potential users of information displays; internet marketing; advertising in industry publications; and exhibiting at approximately 12 domestic and international trade shows annually.

Internationally, the Company uses a combination of internal sales people and independent distributors to market its products outside the United States. The Company has existing relationships with approximately 20 independent distributors worldwide covering Europe, the Middle East, South America, Africa, the Far East and Australia. Foreign revenues represented less than 10% of total revenues for the years ended December 31, 2012 and 2011, respectively.

Headquartered in Norwalk, Connecticut, the Company has sales and service offices in Des Moines, Iowa, Cartersville, Georgia and Burlington, Ontario as well as approximately 17 satellite offices in the United States and Canada.

The Company's revenues in 2012 and 2011 did not include any single customer that accounted for more than 10% of total revenues.

MANUFACTURING AND OPERATIONS

The Company's production facilities are located in Des Moines, Iowa. The production facilities consist principally of the manufacturing, assembly and testing of digital display units and related components. The Company performs most subassembly and most final assembly of its products.

All product lines are design engineered by the Company and controlled throughout the manufacturing process. The Company has the ability to produce very large sheet metal fabrications, cable assemblies and surface mount and through-hole designed assemblies. Some of the subassembly processes are outsourced. The Company's production of many of the subassemblies and final assemblies gives the Company the control needed for on-time delivery to its customers.

The Company has the ability to rapidly modify its product lines. The Company's displays are designed with flexibility in mind, enabling the Company to customize its displays to meet different applications with a minimum amount of lead-time. The Company designs certain of its materials to match components furnished by suppliers. If such suppliers were unable to provide the Company with those components, the Company would have to contract with other suppliers to obtain replacement sources. Such replacement might result in engineering design changes, as well as delays in obtaining such replacement components. The Company believes it maintains suitable inventory and has contracts providing for delivery of sufficient quantities of such components to meet its needs. The Company also believes that there are presently other qualified vendors of these components. Other than the LEDs and LED modules which are manufactured by foreign sources, the Company does not acquire significant amounts of components directly from foreign suppliers. The Company's products are third-party certified as complying with applicable safety, electromagnetic emissions and susceptibility requirements worldwide.

SERVICE AND SUPPORT

The Company emphasizes the quality and reliability of its products and the ability of its field service personnel and third-party agents to provide timely and expert service to the Company's equipment on lease and maintenance bases and other types of customer-owned equipment. The Company believes that the quality and timeliness of its on-site service personnel are important components for the Company's ongoing and future success. The Company provides turnkey installation and support for the products it leases and sells in the United States and Canada. The Company provides training to end-users and provides ongoing support to users who have questions regarding operating procedures, equipment problems or other issues. The Company provides installation and service to those who purchase and lease equipment. Additionally, the Company's dealers and distributors offer support for the products they sell in the market segments they cover.

Table of Contents

Personnel based in regional and satellite service locations throughout the United States and Canada provide high quality and timely on-site service for the installed equipment on lease and maintenance bases and other types of customer-owned equipment. Purchasers or lessees of the Company's larger products, such as financial exchanges, casinos and sports stadiums, often retain the Company to provide on-site service through the deployment of a service technician who is on-site daily for scheduled events. The Company operates its National Technical Services and Repair Center from its Des Moines, Iowa facility. Equipment repairs are performed in Des Moines and service technicians are dispatched nationwide from the Norwalk facility. The Company's field service division is augmented by various service companies in the United States, Canada and overseas. From time to time, the Company uses various third-party service agents to install, service and/or assist in the service of certain displays for reasons that include geographic area, size and height of displays.

COMPETITION

The Company's availability of short and long-term leases to customers and its nationwide sales, service and installation capabilities are major competitive advantages in the digital display business. The Company believes that it is the largest supplier of large-scale stock, commodity, sports and race book gaming digital displays in the United States, as well as one of the larger digital display and service organizations in the country.

The Company competes with a number of competitors, both larger and smaller than itself, with products based on different forms of technology. There are several competitors whose current products utilize similar technology to the Company's and who possess the resources necessary to develop competitive and more sophisticated products in the future.

LED LIGHTING

In 2010, the Company started a new business opportunity in the LED lighting market with energy-saving lighting solutions that features a comprehensive offering of the latest LED lighting technologies that provide facilities and public infrastructure with "green" lighting solutions that emit less heat, save energy and enable creative designs.

DISCONTINUED OPERATIONS

The Company owned an income-producing real estate property located in Santa Fe, New Mexico, which was sold in 2013 because it did not directly relate to our core business. The Company also owned land in Silver City, New Mexico, which was sold in 2012 because it did not directly relate to our core business.

INTELLECTUAL PROPERTY

The Company holds a number of trademarks for its products and considers such trademarks important to its business.

EMPLOYEES

The Company has approximately 94 employees as of June 24, 2013. Approximately 27% of the employees are unionized. The Company believes its employee relations are good.

ITEM 1A. RISK FACTORS

THERE IS SUBSTANTIAL DOUBT ABOUT OUR ABILITY TO CONTINUE AS A GOING CONCERN

Our independent registered public accounting firm has issued an opinion on our consolidated financial statements that states that the consolidated financial statements were prepared assuming we will continue as a going concern and further states that the continuing losses and uncertainty regarding the ability to make the required minimum funding contributions to the pension plan as well as the sinking fund payments on the Debentures and the principal and interest payments on the Notes and the Debentures raises substantial doubt about our ability to continue as a going concern.

As a result, if the Company is unable to (i) obtain additional liquidity for working capital, (ii) make the required minimum funding contributions to the pension plan and (iii) make the required principal and interest payments on the Notes and Debentures, there would be a significant adverse impact on the financial position and the operating results of the Company.

THE OPERATING LOSSES

The Company has incurred operating losses for the past several years. During the years 2012 and 2011, the Company incurred losses from continuing operations of \$1,129,000 and \$974,000, respectively. The year ended December 31,

2012 includes a \$4.0 million gain on a warrant valuation adjustment, a \$0.4 million additional restructuring charge and a \$0.1 million gain on debt extinguishment. 2011 includes an \$8.8 million gain on debt extinguishment, a \$3.7 million charge for a warrant valuation adjustment and a \$0.2 million additional restructuring charge. The Company is dependent upon future operating performance to generate sufficient cash flows in order to continue to run its businesses. Future operating performance is dependent on general economic conditions, as well as financial, competitive and other factors beyond our control. As a result, we have experienced a decline in our sales and lease and maintenance bases. There can be no assurance that we will be able to increase our revenue sufficiently to generate the cash required to fund our current operations.

Table of Contents

DEFAULT ON INDEBTEDNESS

The Company has \$1.1 million of 8¼% Limited convertible senior subordinated notes due 2012 (the Notes) which are no longer convertible into common shares and which matured as of March 1, 2012; interest was payable semi-annually. As part of the Company s restructuring plan, the Company offered the holders of the Notes the right to receive \$225, without accrued interest, plus 250 shares of the Company s Common Stock for each \$1,000 Note exchanged. The offer expired on October 31, 2011, but the Company continues to consider further exchanges of the Notes on the same terms as previously offered. \$9.0 million of the original \$10.1 million of principal amount of the Notes have been exchanged, leaving \$1.1 million outstanding. Based on the payment schedule prior to the offer to exchange, the Company had not remitted the March 1, 2010 and 2011 and September 1, 2010 and 2011 semi-annual interest payments of \$418,000 each and the March 1, 2012 semi-annual interest and principal payment of \$1.4 million to the trustee. The non-payments constituted an event of default under the Indenture governing the Notes. The trustee, by notice to the Company, or the holders of 25% of the principal amount of the Notes outstanding, by notice to the Company and the trustee, may declare the outstanding principal plus interest due and payable immediately. During the continuation of any event which, with notice or lapse of time or both, would constitute a default under any agreement under which Senior Indebtedness is issued, if the effect of such default is to cause or permit the holder of Senior Indebtedness to become due prior to its stated maturity, no payment of principal, premium or interest shall be made on the Notes unless and until such default shall have been remedied, if written notice of such default has been given to the trustee by the Company or the holder of Senior Indebtedness. If the holder of Senior Indebtedness accelerates the due date at any time, then no payment may be made until the default is cured or waived. The Notes are subordinate to all Senior Indebtedness of the Company. At December 31, 2012, the total amount outstanding under the Notes is classified as Current portion of long-term debt in the Consolidated Balance Sheets.

The Company has \$334,000 of 9½% Subordinated debentures due 2012 (the Debentures) which matured on December 1, 2012; interest was payable semi-annually. As part of the Company s restructuring plan, the Company offered the holders of the Debentures the right to receive \$100, without accrued interest, for each \$1,000 Debenture exchanged. The offer expired on October 31, 2011, but the Company continues to consider further exchanges of the Debentures on the same terms as previously offered. \$723,000 of the original \$1.1 million principal amount of the Debentures have been exchanged, leaving \$334,000 outstanding. Based on the payment schedule prior to the offer to exchange, the Company had not remitted the December 1, 2009, 2010 and 2011 sinking fund payments of \$106,000 each, the June 1, 2010, 2011 and 2012 and the December 1, 2010 and 2011 semi-annual interest payments of \$50,000 each and the December 1, 2012 semi-annual interest and principal payment of \$790,000 to the trustee. The non-payments constituted an event of default under the Indenture governing the Debentures. The trustee, by notice to the Company, or the holders of 25% of the principal amount of the Debentures outstanding, by notice to the Company and the trustee, may declare the outstanding principal plus interest due and payable immediately. During the continuation of any event which, with notice or lapse of time or both, would constitute a default under any agreement under which Senior Indebtedness is issued, if the effect of such default is to cause or permit the holder of Senior Indebtedness to become due prior to its stated maturity, no payment (including any required sinking fund payments) of principal, premium or interest shall be made on the Debentures unless and until such default shall have been remedied, if written notice of such default has been given to the trustee by the Company or the holder of Senior Indebtedness. The failure to make the sinking fund and interest payments are events of default under the Credit

Agreement since it involves indebtedness over \$500,000. The Debentures are subordinate to all Senior Indebtedness of the Company. At December 31, 2012, the total amount outstanding under the Debentures is classified as Current portion of long-term debt in the Consolidated Balance Sheets.

In the event that the holders of the Notes or the Debentures or either of the trustees thereunder declare a default and begin to exercise any of their rights or remedies in connection with the non-payment defaults, this shall constitute a separate and distinct event of default and the senior lender may exercise any and all rights or remedies it may have. The amounts outstanding under the Credit Agreement are collateralized by all of the Digital display division assets. The Credit Agreement was paid in full in June 2013 and the liens held by the senior lender on the collateral in connection therewith have been terminated.

Table of Contents

PENSION PLAN WAIVERS FILED

In March 2010, 2011 and 2013, the Company submitted to the Internal Revenue Service requests for waivers of the 2009, 2010 and 2012 minimum funding standards for its defined benefit plan. The waiver requests were submitted as a result of the economic climate and the business hardship that the Company experienced. The 2009 and 2010 plan year waivers have been approved and granted subject to certain conditions, and defer payment of \$285,000 and \$559,000 of the minimum funding standard for the 2009 and 2010 plan years, respectively. The March 2013 waiver request would defer \$871,000 of the minimum funding standard for the 2012 plan year. If this waiver is not granted, the Pension Benefit Guaranty Corporation and the Internal Revenue Service have various enforcement remedies that can be implemented to protect the participant's benefits, such as termination of the plan or a requirement that the Company make the unpaid contributions. In 2012, the Company made \$559,000 of contributions to the plan. At this time, the Company is expecting to make its required contributions for the 2013 plan year and has already made \$218,000 of contributions; however there is no assurance that we will be able to make any or all of such remaining payments. The Pension Benefit Guaranty Corporation has placed a lien on the Company's assets in respect of amounts owed under the plan. The senior lender has waived the default of non-payment of certain pension plan contributions, but in the event that any government agency takes any enforcement action or otherwise exercises any rights or remedies it may have, this shall constitute a separate and distinct event of default and the senior lender may exercise any and all rights or remedies it may have under the Credit Agreement. This could have a material adverse effect on our profits, results of operations, financial condition and future prospects.

LEVERAGE

As of December 31, 2012, the Company's total long-term debt relating to continuing operations was \$2.9 million. Of this amount, \$2.5 million represented the current portion, of which \$1.0 million related to the Credit Agreement, which was satisfied when the Company financed the future receivables of certain lease contracts in June 2013. The Company's long-term debt relating to discontinued operations of the former Real estate segment was \$1.7 million (all of which was current), which mortgage was satisfied when the related property was sold in February 2013. We expect we may incur indebtedness in connection with new rental leases and working capital requirements. Our ability to satisfy our obligations will be dependent upon our future performance, which is subject to prevailing economic conditions and financial, business and other factors, including factors beyond our control. There can be no assurance that our operating cash flows will be sufficient to meet our long-term debt service requirements or that we will be able to refinance indebtedness at maturity. See Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources.

RELIANCE ON KEY SUPPLIERS

We design certain of our products to match components furnished by suppliers. If such suppliers were unable or unwilling to provide us with those components, we would have to contract with other suppliers to obtain replacement sources. In particular, we purchase most of the LEDs and LED module blocks used in our digital displays and lighting from three main suppliers. We do not have long-term supply contracts with these suppliers. A change in suppliers of either LED module blocks or certain other components may result in engineering design changes, as well as delays in obtaining such replacement components. We believe that there are presently other qualified vendors of these components. Our inability to obtain sufficient quantities of certain components as required, or to develop alternative sources at acceptable prices and within a reasonable time, could result in delays or reductions in product shipments that could have a materially adverse effect on our business and results of operations.

COMPETITION

Our digital displays compete with a number of competitors, both larger and smaller than us, and with products based on different forms of technology. In addition, there are several competitors whose current products utilize similar technology and who possess the resources to develop competitive and more sophisticated products in the future. Our success is, to some extent, dependent upon our ability to anticipate technological changes in the industry and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that competitors will not market new products which may have perceived advantages over our products or which, because of pricing strategies, render the products currently sold by the Company less marketable or would otherwise adversely affect our operating margins.

NATURE OF LEASING AND MAINTENANCE REVENUES

We derive a substantial percentage of our revenues from the leasing of our digital displays, generally pursuant to leases that have an average term of one to five years. Consequently, our future success is, at a minimum, dependent on our ability to obtain the renewal of existing leases or to enter into new leases as existing leases expire. We also derive a significant percentage of our revenues from maintenance agreements relating to our digital display products. The average term of such agreements is generally one to five years. A portion of the maintenance agreements are cancelable upon 30 days notice. There can be no assurance that we will be successful in obtaining the renewal of existing leases or maintenance agreements, obtaining replacement leases or realizing the value of assets currently under leases that are not renewed. See Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations.

Table of Contents

DEPENDENCE ON KEY PERSONNEL

We believe that our President and Chief Executive Officer, Jean-Marc Allain, plays a significant role in the success of the Company and the loss of his services could have an adverse effect on the Company. There can be no assurance that the Company would be able to find a suitable replacement for Mr. Allain. The Company has an employment agreement with Mr. Allain that expires in 2015. The Company believes that in addition to Mr. Allain, there is a core group of executives that also plays a significant role in the success of the Company.

EFFECT OF CERTAIN ANTI-TAKEOVER PROVISIONS AND CONTROL BY EXISTING STOCKHOLDERS

Our Amended and Restated Certificate of Incorporation contains certain provisions that could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire, control of us. Such provisions could limit the price that certain investors might be willing to pay in the future for shares of our Common Stock, thus making it less likely that a stockholder will receive a premium on any sale of shares of our Common Stock. Our Board of Directors is divided into three classes, each of which serves for a staggered three-year term, making it more difficult for a third party to gain control of our Board.

Additionally, we are authorized to issue 500,000 shares of Preferred Stock, none of which are outstanding as of December 31, 2012. The Preferred Stock contains such rights, preferences, privileges and restrictions as may be fixed by our Board of Directors, which may adversely affect the voting power or other rights of the holders of Common Stock or delay, defer or prevent a change in control of the Company, or discourage bids for the Common Stock at a premium over its market price or otherwise adversely affect the market price of the Common Stock.

As of December 31, 2012, 9 stockholders who are executive officers and/or directors of the Company beneficially own approximately 7.7% of the Common Stock and 1 stockholder who is neither an officer nor director of the Company beneficially owns approximately 46.7% of the Common Stock.

LIMITED TRADING VOLUME AND VOLATILITY OF STOCK PRICE

Our Common Stock is not widely held and the volume of trading has been relatively low and sporadic. Accordingly, the Common Stock is subject to increased price volatility and reduced liquidity. There can be no assurance that a more active trading market for the Common Stock will develop or be sustained if it does develop. The limited public float of our Common Stock could cause the market price for the Common Stock to fluctuate substantially. In addition, stock markets have experienced wide price and volume fluctuations in recent periods and these fluctuations often have been unrelated to the operating performance of the specific companies affected. Any of these factors could adversely affect the market price of the Company's Common Stock.

OUR INTERNATIONAL OPERATIONS SUBJECT US TO POTENTIAL FLUCTUATIONS IN EXCHANGE RATES BETWEEN THE UNITED STATES DOLLAR AND FOREIGN CURRENCIES, AS WELL AS INTERNATIONAL LEGAL REQUIREMENTS, WHICH COULD IMPACT OUR PROFITABILITY

Our financial condition, operating results and future growth could be significantly impacted by risks associated with our international activities, including specifically changes in the value of the U.S. dollar relative to foreign currencies and international tax rules. Because a significant portion of the Company's business is done in Canada, fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar could seriously impact our manufacturing and other costs, as well as overall profitability. The risks to our business related to fluctuations in currency exchange rates is further magnified by the current volatility in the currency markets that are characteristic of financial markets, and currency markets in particular.

Compliance with U.S. and foreign laws and regulations that apply to our international operations, including import and export requirements, anti-corruption laws, including the Foreign Corrupt Practices Act, tax laws (including U.S. taxes on foreign subsidiaries), foreign exchange controls, anti-money laundering and cash repatriation restrictions, data privacy requirements, labor laws and anti-competition regulations, increases the costs of doing business in foreign jurisdictions, and may subject us to additional costs which may arise in the future as a result of changes in these laws and regulations or in their interpretation. We have not implemented formal policies and procedures designed to ensure compliance with all of these laws and regulations. Any such violations could individually or in the aggregate materially adversely affect our reputation, financial condition or operating results.

Table of Contents

OUR SIGNIFICANT MANUFACTURING OPERATIONS IN CHINA SUBJECT US TO POLITICAL AND LEGAL RISKS BEYOND OUR CONTROL

Many components of our products are produced in China by third-party manufacturers. Our reliance on third-party Chinese manufacturers exposes us to risks that are not in our control, such as unanticipated cost increases or negative fluctuations in currency, which could negatively impact our results of operations and working capital. Any termination of or significant disruption in our relationship with our Chinese suppliers may prevent us from filling customer orders in a timely manner. Given the state of the Chinese political system, we cannot guaranty that our agreements with our Chinese suppliers will remain enforceable pursuant to Chinese law. Furthermore, we cannot guaranty that all rights to payment or performance under our agreements with our Chinese manufacturing partners will be enforceable, and that all debts owing to us, whether in the form of cash or product, will be collectable. While we do not envision any adverse change to our international operations or suppliers, especially given the gradual move towards global integration by the Chinese government and financial markets, adverse changes to these operations, as a result of political, governmental, regulatory, economic, exchange rate, labor, logistical or other factors, could have a material adverse effect on our future operating results if China experiences financial or political volatility.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

The Company's headquarters and principal executive offices are located in a leased facility at 26 Pearl Street, Norwalk, Connecticut, which is used for administration, engineering and sales. The Company owns a facility in Des Moines, Iowa where its manufacturing operations are maintained.

The Company leases two other premises throughout North America for use as sales, service and/or administrative operations. The aggregate rent expense was \$327,000 and \$303,000 for the years ended December 31, 2012 and 2011,

respectively.

ITEM 3. LEGAL PROCEEDINGS

The Company is subject to legal proceedings and claims which arise in the ordinary course of its business and/or which are covered by insurance. The Company believes that it has accrued adequate reserves individually and in the aggregate, however unfavorable outcomes of certain of the legal proceedings could have a material adverse effect on the consolidated financial position and operations of the Company.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Table of Contents

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) Since November 17, 2010, the Company's Common Stock has traded on the OTCQB under the symbol TNLX. Prior to November 17, 2010, the Company's Common Stock had traded on the NYSE Amex under the symbol TLX. Sales price information is set forth in Item 5(d) below.

(b) The Company had approximately 877 holders of record of its Common Stock as of July 1, 2013.

(c) The Board of Directors did not declare any cash dividends for Common Stock during 2012. Management and the Board of Directors will continue to review whether payment of quarterly cash dividends will be made.

(d) The following table sets forth the range of Common Stock prices on the OTCQB.

	2012		2011	
	High	Low	High	Low
First Quarter	\$0.85	\$0.45	\$0.31	\$0.11
Second Quarter	\$0.70	\$0.35	\$0.20	\$0.05
Third Quarter	\$0.35	\$0.24	\$0.15	\$0.05
Fourth Quarter	\$0.45	\$0.17	\$0.78	\$0.15

(e) The Company did not purchase any of its equity securities during any month of the fourth fiscal quarter of 2012.

ITEM 6. SELECTED FINANCIAL DATA

(a) Not applicable.

(b) Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Trans-Lux is a leading supplier of LED technology for high resolution video displays and lighting applications. The essential elements of these systems are the real-time, programmable digital displays and lighting fixtures that we design, manufacture, distribute and service. Designed to meet the digital signage solutions for any size venue's indoor and outdoor needs, these displays are used primarily in applications for the financial, banking, gaming, corporate, advertising, transportation, entertainment and sports markets. The Company's LED lighting fixtures offer energy-saving lighting solutions that feature a comprehensive offering of the latest LED lighting technologies that provide facilities and public infrastructure with green lighting solutions that emit less heat, save energy and enable creative designs. The Company operates in two reportable segments: Digital display sales and Digital display lease and maintenance.

The Digital display sales segment includes worldwide revenues and related expenses from the sales of both indoor and outdoor digital display signage and LED lighting solutions. This segment includes the financial, government/private, gaming, scoreboards and outdoor advertising markets. The Digital display lease and maintenance segment includes worldwide revenues and related expenses from the lease and maintenance of both indoor and outdoor digital display signage. This segment includes the lease and maintenance of digital display signage across all markets.

Table of Contents

Going Concern

In light of the unprecedented instability in the financial markets and the severe slowdown in the overall economy, our revenues have declined and we do not have adequate liquidity, including access to the debt and equity capital markets, to operate our business in the manner in which we have historically operated. As a result, our short-term business focus has been to preserve our liquidity position. Unless we are successful in obtaining additional liquidity, we believe that we will not have sufficient cash and liquid assets to fund normal operations for the next 12 months. In addition, the Company's obligations under its pension plan exceeded plan assets by \$6.4 million at December 31, 2012 and the Company has a significant amount due to their pension plan over the next 12 months. In addition, the Company has not made the December 1, 2009, 2010 and 2011 required sinking fund payments on its 9 1/2% Subordinated debentures due 2012 (the "Debentures") and the June 1, 2010, 2011 and 2012 as well as its December 1, 2010, 2011 and 2012 interest payments totaling \$301,200. In addition, the Company did not make the March 1, 2010, 2011 and 2012 as well as its September 1, 2010 and 2011 interest payments totaling \$2.1 million on its 8 1/4% Limited convertible senior subordinated notes due 2012 (the "Notes"). As a result, if the Company is unable to (i) obtain additional liquidity for working capital, (ii) make the required minimum funding contributions to the pension plan (iii) make the required sinking fund payments on the Debentures and (iv) make the required principal and interest payments on the Notes and the Debentures, there would be a significant adverse impact on the financial position and operating results of the Company, which could require the disposition of some or all of our assets, which could require us to curtail or cease operations.

Moreover, because of the uncertainty surrounding our ability to obtain additional liquidity and the potential of the noteholders and/or trustees to give notice to the Company of a default on either the Debentures or the Notes, our independent registered public accounting firm has issued an opinion on our consolidated financial statements that states that the consolidated financial statements were prepared assuming we will continue as a going concern, however, the opinion further states that the uncertainty regarding the ability to make the required principal and interest payments on the Notes and the Debentures, in addition to the significant amount due to the Company's pension plan over the next 12 months, raises substantial doubt about our ability to continue as a going concern. See Note 2 to the Consolidated Financial Statements - Going Concern.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally

accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those

Roxanne S. Austin

President of Austin Investment

Advisors

Director since 2006

Age: 55

Ms. Austin is the President of Austin Investment Advisors, a private investment and consulting firm, a position she has held since 2004. From July 2009 through July 2010, Ms. Austin also served as the President and Chief Executive Officer of Move Networks, Inc., a provider of Internet television services. Ms. Austin served as President and Chief Operating Officer of DIRECTV, Inc. from June 2001 to December 2003. She also served as Executive Vice President of Hughes Electronics Corporation (Hughes) and as a member of its executive committee until December 2003. From 1997 to June 2001, Ms. Austin was the Corporate Senior Vice President and Chief Financial Officer of Hughes. Prior thereto, she held various senior financial positions with Hughes. Prior to joining Hughes in 1993, Ms. Austin was a partner at the accounting firm Deloitte & Touche LLP. Ms. Austin is also a director of Target Corporation (having served as the retailer's interim Board chairwoman during part of 2014), Abbott Laboratories and AbbVie, Inc. From 2008 to 2016 she also served as a director of Telefonaktiebolaget LM Ericsson. Ms. Austin is a member of our Personnel and Compensation Committee and our Nominating and Governance Committee.

The following experience, qualifications, attributes and/or skills led the Board to conclude that Ms. Austin should serve as a director: her professional background and experience, current and previously held senior-executive level positions, her service on other public and private company boards, Teledyne board experience, board attendance and participation, and her extensive experience in electronics, communications, aerospace, defense and related industries and specialized expertise in public company accounting and mergers and acquisitions and most recently cyber security.

Table of Contents



Item 1 on Proxy Card Election of Directors(continued)

Frank V. Cahouet

Frank V. Cahouet served as the Chairman, President and Chief Executive Officer of Mellon Financial Corporation, a bank holding company, and Mellon Bank, N.A., prior to his retirement on December 31, 1998. Mr. Cahouet has served as a director of NBH Holdings Corp., a bank holding company, since 2009. Mr. Cahouet served as a director of Korn/Ferry International, a provider of recruiting services, from 1997 to 2009, and Saint-Gobain Corporation, a manufacturer of glass, ceramics, plastics and cast iron, from 1992 to 2008. Mr. Cahouet is a trustee emeritus of both Carnegie Mellon University and the University of Pittsburgh. He is on the board of regents of Saint Vincent Seminary, a member of the board of trustees for the Historical Society of Western Pennsylvania and a council member of The Pennsylvania Society. He is a director of The World Affairs Council of Pittsburgh and is director emeritus of Extra Mile Education Foundation. In addition, he serves on the Advisory Board of the Little Sisters of the Poor. Mr. Cahouet is a member of our Audit Committee and our Nominating and Governance Committee.

*Retired Chairman and Chief
Executive Officer of Mellon
Financial Corporation*

The following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Cahouet should serve as a director: his professional background and experience, previously held senior-executive level positions, his service on other public and private company boards, leadership positions with private foundations, Teledyne board experience, board attendance and participation, and his extensive experience in accounting, finance, banking and asset management.

Director since 1999

Mr. Cahouet will retire on April 27, 2016, the date of the 2016 Annual Meeting.

Age: 83

Kenneth C. Dahlberg

Kenneth C. Dahlberg served as Chief Executive Officer of Science Applications International Corporation (SAIC), a research and engineering firm specializing in information systems and technology, from November 2003 through September 2009, and served as Chairman of the Board of Directors of SAIC from July 2004 until his retirement in June 2010. Prior to joining SAIC, Mr. Dahlberg served as executive vice president of General Dynamics where he was responsible for its Information Systems and Technology Group and prior to that served as President and Chief Operating Officer of Raytheon Systems. Mr. Dahlberg is also a director of Motorola Solutions, Inc., a provider of mission critical communication products and services, and of Parsons Corp., a privately-held engineering, construction, technical and management services firm. Mr. Dahlberg is a member of our Personnel and Compensation Committee and our Audit Committee.

Retired Chairman of the

Board and Former Chief

Executive Officer of Science

Applications International

Corporation (SAIC)

Director since 2006

Age: 71

The following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Dahlberg should serve as a director: his professional background and experience, previously held senior-executive level positions, his service on other public company boards, his Teledyne board experience, board attendance and participation, his extensive experience with companies in the defense industry and his background and experience in design engineering, production, system development and services.

Table of Contents



Item 1 on Proxy Card Election of Directors(continued)

Robert A. Malone

Mr. Malone has been the Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc., a community bank, since 2014. Previously, Mr. Malone served as the President and Chief Executive Officer of The First National Bank of Sonora, Texas, a community bank owned by First Sonora Bancshares, Inc., from 2009 to 2014. Mr. Malone was also an Executive Vice President of BP plc, an integrated oil and gas company, and Chairman of the Board and President, BP America Inc. from 2006 to 2009. Mr. Malone has been a director of Halliburton Company, a provider products and services to the energy industry, since 2009, and has been a director of Peabody Energy Corporation, a coal mining company, since 2009, and its Non-Executive Chairman of the Board since 2016. Mr. Malone is a member of our Audit Committee and our Personnel and Compensation Committee.

*Executive Chairman, President
and Chief Executive Officer of
First Sonora Bancshares, Inc.*

The following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Malone should serve as a director: his professional background and experience, previously held senior-executive level positions, his service on other public company boards and his extensive experience with companies in the oil and gas industry and in banking and his expertise in compliance with safety regulations.

Director since 2015

Age: 64

Continuing Directors Terms Expiring at 2018 Annual Meeting (Class I)

Simon M. Lorne is the Vice Chairman and Chief Legal Officer of Millennium Management LLC, a hedge fund management company. From March 1999 to March 2004, prior to the time he became a Teledyne director, Mr. Lorne was a partner with Munger Tolles & Olson, LLP, a law firm whose services Teledyne has used from time to time. Mr. Lorne has also previously served as a Managing Director, with responsibility for Legal Compliance and Internal Audit of Citigroup/Salomon Brothers and as the General Counsel at the SEC in Washington, D.C. Mr. Lorne served as a director of Opware, Inc., a provider of data center automation software, from 2000 to 2007. Since 1999, Mr. Lorne has been co-director of Stanford Law School's Directors College. Since 2011, Mr. Lorne has served on the Advisory Council of the Public Company

Simon M. Lorne

Vice Chairman and Chief Legal

Officer of Millennium

Management LLC

Director since 2004

Age: 70

Accounting Oversight Board. Mr. Lorne is the Chair of our Audit Committee and a member of our Nominating and Governance Committee.

The following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Lorne should serve as a director: his professional background and experience, current and previously held senior-executive level positions, senior level experience at a government regulator, his service on other public and private company boards, his Teledyne board experience, board attendance and participation, and his specialized expertise in finance, mergers and acquisitions, securities laws and corporate governance.

Table of Contents**Item 1 on Proxy Card Election of Directors**(continued)**Paul D. Miller**

Paul D. Miller was the Chairman of the Board of Alliant Techsystems, Inc. (ATK), an advanced weapon and space systems company, from January 1999 until April 2005 and served as Chief Executive Officer of ATK from January 1999 until October 2004. Prior to retirement from the U.S. Navy in 1994, Admiral Miller served as Commander-in-Chief, U.S. Atlantic Command and NATO Supreme Allied Commander Atlantic. He is also a director of Donaldson Company, Inc., a manufacturer of filtration systems, and Huntington Ingalls Industries, Inc., a shipbuilding company. Admiral Miller is a member of our Audit Committee and our Nominating and Governance Committee. The Board has recognized Admiral Miller as the Classified Program Review Director to review on behalf of the Board of Directors Teledyne's U.S. Government classified programs as needed.

*Retired Chairman of Alliant
Techsystems, Inc. (ATK)*

Director since 2001

Age: 74

The following experience, qualifications, attributes and/or skills led the Board to conclude that Admiral Miller should serve as a director: his executive, professional and military background and experience, current and previously held senior-executive level positions, his service on other public and private company boards, Teledyne board experience, board attendance and participation, his extensive experience with and leadership positions in the defense community, his knowledge of finance, manufacturing, human resources, corporate governance and audit functions and his extensive understanding of strategic planning, tactical business decision making and risk management.

Wesley W. von Schack

Wesley W. von Schack is the Chairman of AEGIS Insurance Company, a position he has held since 2007. Dr. von Schack currently serves as the lead director and Chairman of the Executive Committee of The Bank of New York Mellon Corporation, but has notified us that he has resigned from its Board of Directors effective as of its April 12, 2016 Annual Meeting of Stockholders. He also serves as the lead director of Edward Lifesciences Corporation, a company engaged in the science of heart valves and hemodynamic monitoring. Dr. von Schack served as Chairman, President and Chief Executive Officer of Energy East Corporation, a diversified energy services company, from 1996 to September 2009. Dr. von Schack served as a director of Mellon Financial Corporation from 1989 to 2007. Dr. von Schack is director emeritus of the Gettysburg Foundation, and is a member of the President's Council Peconic Land Trust. Dr. von Schack is a member of our Nominating and Governance Committee and our Personnel and Compensation Committee.

Chairman of AEGIS Insurance

Company and Former

Chairman, President and

Chief Executive Officer of

Energy East Corporation

Director since 2006

Age: 71

The following experience, qualifications, attributes and/or skills led the Board to conclude that Dr. von Schack should serve as a director: his professional background and experience, previously held senior-executive level positions, his service on other private and public company boards, his leadership positions at private foundations, his Teledyne board experience, board attendance and participation, and his extensive experience with companies in the energy, banking, financial asset management sectors and in regulated industries.

Table of Contents

Committees of Our Board of Directors

Our Board of Directors has established an Audit Committee, a Nominating and Governance Committee and a Personnel and Compensation Committee. From time to time, our Board of Directors may establish other committees. Each of the Audit Committee, Nominating and Governance Committee and Personnel and Compensation Committee has a written charter that can be accessed on our website at www.teledyne.com under Corporate Information Governance .

Audit Committee

The members of the Audit Committee are:

Simon M. Lorne, Chair

Frank V. Cahouet

Kenneth C. Dahlberg

Robert A. Malone (beginning July 1, 2015)

Paul D. Miller

Jane C. Sherburne

Michael T. Smith

The Audit Committee held eight meetings in 2015 (including two joint meetings with the Board).

The primary purpose of the Audit Committee is to assist the Board's oversight of the integrity of our financial statements, our compliance with legal and regulatory requirements, the qualification and the independence of our independent auditor, and the performance of our internal audit function and independent auditor. As provided in its charter, the Audit Committee is directly responsible for the appointment, retention, compensation, oversight, evaluation and termination of our independent auditor (including resolving disagreements between management and the independent auditor regarding financial reporting). The Audit Committee has been designated as the qualified legal compliance committee. In carrying out its responsibilities, the Audit Committee undertakes to do many things, including:

Retain and approve the terms of the engagement and fees to be paid to the independent auditor.

Evaluate the performance of the independent auditor.

Receive written periodic reports from the independent auditor delineating all relationships between the independent auditor and us.

Review with the independent auditor any problems or difficulties the independent auditor may have encountered and any management letter provided by the independent auditor and our response to that letter.

Review our annual audited financial statements and the report thereon and quarterly unaudited financial statements with the independent auditor and management prior to publication of such statements.

Discuss with management the earnings press releases (including the type of information and presentation of information).

Edgar Filing: TRANS LUX CORP - Form 10-K

Review major issues regarding accounting principles and financial statement presentations and judgments made in connection with the preparation of our financial statements.

Meet periodically with management to review our financial risk exposures and the steps management has taken to monitor and control such exposures.

Review with our General Counsel legal matters that may have a material impact on the financial statements, our compliance policies and any material reports or inquiries received from regulators or governmental agencies.

The charter of the Audit Committee was last amended and restated on December 15, 2009. The Audit Committee charter provides that our senior internal auditing executive reports directly and separately to the Chair of the Audit Committee and the Chief Executive Officer. As required by the charter, our Audit Committee also has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters. See [Corporate Governance - Sarbanes-Oxley Disclosure Committee](#) at page 6.

Table of Contents

Committees of Our Board of Directors (continued)

The Audit Committee meets the size, independence and financial sophistication and expertise requirements of the NYSE, including the enhanced independence requirements for Audit Committee members under Exchange Act Rule 10A-3. The Board of Directors has determined that Simon M. Lorne is an audit committee financial expert within the meaning of the SEC regulations and all of the members are independent and financially literate under the NYSE listing standards. Our Corporate Governance Guidelines provide that no director may serve as a member of the Audit Committee if such director serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee. Any such determination must be disclosed in the annual Proxy Statement. None of our Audit Committee members serve on more than two other audit committees of public companies. Besides our Audit Committee, Mr. Dahlberg and Mr. Smith each simultaneously serves on the audit committee of one other public company.

The report of the Audit Committee is included under Item 2 on Proxy Card Ratification of Appointment of Independent Registered Public Accounting Firm at page 17.

Nominating and Governance Committee

The members of the Nominating and Governance Committee are:

Michael T. Smith, Chair

Roxanne S. Austin

Frank V. Cahouet

Charles Crocker

Simon M. Lorne

Paul D. Miller

Wesley W. von Schack

The Nominating and Governance Committee held three meetings in 2015.

The Nominating and Governance Committee undertakes to:

Identify individuals qualified to become members of the Board of Directors and to make recommendations to the Board of Directors with respect to candidates for nomination for election at the next Annual Meeting of stockholders or at such other times when candidates surface or are proposed and, in connection therewith, consider suggestions submitted by our stockholders.

Develop and recommend to the Board of Directors corporate governance guidelines.

Determine and make recommendations to the Board of Directors with respect to the criteria to be used for selecting new members of the Board of Directors.

Oversee the annual process of evaluation of the performance of our Board of Directors and committees.

Edgar Filing: TRANS LUX CORP - Form 10-K

Make recommendations to the Board of Directors concerning the membership of committees of the Board and the chairpersons of the respective committees.

Make recommendations to the Board of Directors with respect to the remuneration paid and benefits provided to members of the Board in connection with their service on the Board or on its committees.

Administer our formal compensation programs for directors, including the Administrative Rules of the 2014 Incentive Award Plan Related to Non-Employee Director Restricted Stock Unit Awards and Fees.

Make recommendations to the Board of Directors concerning the composition, organization and operations of the Board of Directors and its committees, including the orientation of new members and the flow of information.


Evaluate Board and committee tenure policies, as well as policies covering the retirement or resignation of incumbent directors.

Evaluate proposals of stockholders intended to be presented at stockholder meetings.

Make recommendations to the Board of Directors as to whether to accept or reject a director resignation, or take other action, where a director fails to receive a majority vote as specified under the our Amended and Restated Bylaws and Corporate Governance Guidelines.

The charter of the Nominating and Governance Committee was last amended and restated on October 23, 2012. The members of the Nominating and Governance Committee are independent under the NYSE listing standards.

Table of Contents



Committees of Our Board of Directors (continued)

The Nominating and Governance Committee will consider stockholder recommendations for nominees for director. Any stockholders interested in suggesting a nominee should follow the procedures outlined in *Other Information - 2017 Annual Meeting and Stockholder Proposals* at page 61. Stockholder recommendations for nominees will be given the same consideration as nominees for director from other sources.

The Nominating and Governance Committee utilizes a variety of methods for identifying and evaluating all nominees for directors. The Committee periodically assesses the appropriate size of the Board and whether vacancies on the Board are expected due to retirement, change in professional status or otherwise. Candidates may come to the attention of the Committee through current Board members, members of our management, stockholders and other persons. The Committee to date has not engaged a professional search firm. Candidates are evaluated at meetings of the Committee and may be considered at any point during the year.

As stated in the Corporate Governance Guidelines, nominees for director are to be selected on the basis of, among other criteria, experience, knowledge, skills, expertise, integrity, diversity, ability to make analytical inquiries, understanding of or familiarity with our business, products or markets or similar business, products or markets, and willingness to devote adequate time and effort to Board responsibilities. The Committee may establish additional criteria and is responsible for assessing the appropriate balance of criteria required of Board members. Although we do not have a written policy with respect to Board diversity, the Nominating and Governance Committee and the Board believe that a diverse board leads to improved Company performance by encouraging new ideas, expanding the knowledge base available to management and fostering a boardroom culture that promotes innovation and vigorous deliberation. Consequently, when evaluating potential nominees, the Committee considers individual characteristics that may bring diversity to the Board, including gender, race, national origin, age, professional background, unique skill sets and areas of expertise.

Personnel and Compensation Committee

The members of the Personnel and Compensation Committee are:

Charles Crocker, Chair

Roxanne S. Austin

Kenneth C. Dahlberg

Robert A. Malone (beginning July 1, 2015)

Jane C. Sherburne

Wesley W. von Schack

The Personnel and Compensation Committee held five meetings in 2015.

The Personnel and Compensation Committee's principal authority and responsibilities include:

Make recommendations to the Board of Directors concerning executive management organization matters generally.

Edgar Filing: TRANS LUX CORP - Form 10-K

In the area of compensation and benefits, make recommendations to the Board of Directors concerning employees who are also directors, review and approve the corporate goals and objectives relevant to the chief executive officer and other executive officer compensation, evaluate chief executive officer and other executive officer performance in light of those goals and objectives, and determine and approve all compensation of the chief executive officer and other executive officers based on this evaluation.

Periodically, and when appropriate, review and approve the following as they affect the chief executive officer and executive officers: (a) any employment agreements and severance arrangements; (b) any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits; and (c) any special or supplemental compensation and benefits for the chief executive officer and executive officers and individuals who formerly served as chief executive officer and executive officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.

Oversee the Company's compliance with the requirement under the NYSE rules that, with limited exceptions, require stockholder approval for equity compensation plans.

Table of Contents

Committees of Our Board of Directors (continued)

Subject to such stockholder approval, or as otherwise required by applicable law, establish, amend and, where appropriate, terminate incentive compensation plans, equity-based plans, benefit plans, and other bonus arrangements for the Company; and pursuant to the terms of such plans, as may at the time be in effect, administer such plans and make appropriate interpretations and determinations and take such actions as shall be necessary or desirable thereunder, including approval of awards granted pursuant to such plans and repurchase of securities from terminated employees.

Make recommendations to the Board of Directors concerning policy and procedures relating to employee benefits and employee benefit plans, including incentive compensation plans and equity based plans and applicable clawback provisions.

Oversee our formal incentive compensation programs, including equity-based plans.

Make recommendations to the Board of Directors concerning matters relating to stockholder votes on executive compensation and the frequency of those votes.

While reviewed annually, the charter of the Personnel and Compensation Committee was last amended and restated on December 17, 2013. The members of the Personnel and Compensation Committee are independent under the NYSE listing standards.

Our Chief Executive Officer works with the Personnel and Compensation Committee Chair, our Senior Vice President, General Counsel and Secretary and our Vice President of Human Resources in establishing the agenda for the Committee and makes compensation recommendations for the named executives (other than himself). The Personnel and Compensation Committee's Chair reports the committee's recommendations on executive compensation to the Board. The Personnel and Compensation Committee has the authority, under its charter, to obtain advice and assistance from internal or external legal, accounting or other advisors. The Personnel and Compensation Committee has the sole authority and resources to retain and terminate any compensation consultant to be used to assist in the evaluation of the Chief Executive Officer's or other executive officers' compensation and has sole authority to approve the consultant's fees and other retention terms. As discussed below under Compensation Discussion and Analysis, the Committee retained Exequity LLP to assist the Committee in fulfilling its responsibilities in 2015. The Personnel and Compensation Committee may delegate its responsibility to control and manage the plan assets of our employee benefit plans. In addition, under the terms of our stock incentive plans, the Personnel and Compensation Committee may delegate its powers and authority under the stock incentive plan as it deems appropriate to a subcommittee and/or designated officers and, as discussed below under Compensation Discussion and Analysis, the Personnel and Compensation Committee has made a limited delegation of authority to grant stock options to our Chief Executive Officer pursuant to this authority.

The report of the Personnel and Compensation Committee is included under Executive and Director Compensation at page 44.

Table of Contents

Item 2 on Proxy Card Ratification of Appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm

The Audit Committee has appointed Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2016. Deloitte & Touche LLP has served as our independent registered public accounting firm since April 2015. The Audit Committee believes that Deloitte & Touche LLP is knowledgeable about our operations and accounting practices and is well qualified to act in the capacity of independent registered public accounting firm. The appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal 2016 is subject to the continued approval of the Audit Committee.

Ernst & Young LLP audited our consolidated financial statements for the fiscal year ended December 28, 2014 and, during 2015, served as the Company's independent registered public accounting firm until May 1, 2015.

Although the appointment of an independent registered public accounting firm is not required to be approved by the stockholders, the Audit Committee and the Board of Directors believe that stockholders should participate in such selection through ratification. The proposal to ratify the Audit Committee's appointment of Deloitte & Touche LLP will be approved by the stockholders if it receives the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the proposal. Unless otherwise instructed, the individuals named as proxies in the proxy card will vote each proxy received by them in favor of ratifying the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2016. If you specifically abstain from voting on the proposal, your shares will not affect the outcome of the vote. Broker non-votes, if any, are included in determining the presence of a quorum at the Annual Meeting, but will not be counted as being entitled to vote on the proposal and will not affect the outcome of the vote. If the stockholders do not ratify the selection of Deloitte & Touche LLP, the Audit Committee will reconsider the appointment of an independent registered public accounting firm. Notwithstanding the ratification of Deloitte & Touche LLP as our independent auditors, the Audit Committee, in its discretion, may direct appointment of new independent auditors at any time during the year if the Audit Committee believes that such a change would be in the best interests of Teledyne and its stockholders. It is expected that representatives of Deloitte & Touche LLP will be present at the meeting and will have an opportunity to make a statement and respond to appropriate questions.

The Board of Directors Recommends

a Vote FOR Ratification of the Appointment

of Deloitte & Touche LLP as the

Company's Independent Registered Public Accounting Firm.

Fees Billed by Independent Registered Public Accounting Firm

The following table sets forth fees billed by (i) Deloitte & Touche LLP for professional services rendered for the 2015 fiscal year and (ii) Ernst & Young LLP for the 2014 fiscal year and the period from December 29, 2014 through May 1, 2015 (in thousands).

Participants	2015 Deloitte & Touche LLP	2015 Ernst & Young LLP	2014 Ernst & Young LLP
Total Audit Fees ⁽¹⁾	\$2,846.4	\$197.2	\$4,317.8
Total Audit-Related Fees ⁽²⁾		39.2	76.5
Tax Fees ⁽³⁾	905.2	216.3	366.4

Edgar Filing: TRANS LUX CORP - Form 10-K

All Other Fees			
Total	\$3,751.6	\$452.7	\$4,760.7

TELEDYNE TECHNOLOGIES INCORPORATED | 2016 Proxy Statement 17

Table of Contents

Item 2 on Proxy Card Ratification of Appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm (continued)

- (1) Aggregate fees billed for professional services rendered for the audit of our annual financial statements and internal control pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, for statutory audits of certain subsidiaries, for the reviews of financial statements included in our quarterly reports on Form 10-Q and accounting consultations on matters reflected in the financial statements.
- (2) Fees related to employee benefit plan audits and environmental financial assurances services.
- (3) Tax fees related to U.S. Federal and State tax compliance services and tax advisory services for our foreign subsidiaries.

Change of Independent Public Accountants

As previously reported in our Current Report on Form 8-K, dated April 14, 2015, as amended on May 1, 2015, the Audit Committee conducted a competitive process to determine the Company's independent registered public accounting firm for the 2015 fiscal year. The Audit Committee invited several independent registered public accounting firms, including Ernst & Young, LLP, our then current independent registered public accounting firm, to participate in this process.

Following a competitive review and receipt of proposals from the independent registered public accounting firms that participated in the process, the Audit Committee recommended and authorized the dismissal of Ernst & Young, LLP as our independent registered public accounting firm, and authorized the engagement of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the 2015 fiscal year, effective as of the date of Ernst & Young, LLP's completion of the audit services for the fiscal quarter ended March 29, 2015, and the filing of our related Quarterly Report on Form 10-Q. On May 1, 2015, we filed our Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2015.

No audit report of Ernst & Young LLP on our consolidated financial statements for either of the past two fiscal years contained an adverse opinion or a disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope, or accounting principles.

During our two most recent fiscal years and subsequent interim period preceding Ernst & Young LLP's dismissal, there was no disagreement (as described in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) with Ernst & Young LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures which, if not resolved to the satisfaction of Ernst & Young LLP, would have caused Ernst & Young LLP to make reference to the matter in their report.

We provided Ernst & Young LLP with a copy of the disclosures in our Current Report on Form 8-K and the amendment thereto, prior to filing with the SEC and requested Ernst & Young LLP to furnish us with letters addressed to the SEC stating whether Ernst & Young LLP agrees with the statements made by us in response to Item 304(a) of Regulation S-K and, if not, stating the respects in which it does not agree. A copy of Ernst & Young LLP's letters, dated April 14, 2015 and May 1, 2015, are attached as Exhibit 16.1 to the Current Report on Form 8-K and the amendment thereto.

On April 14, 2015, the Audit Committee approved the appointment of Deloitte & Touche LLP as our independent registered public accounting firm to audit our consolidated financial statements for the 2015 fiscal year, and to perform a review of our condensed consolidated interim financial statements for the second and third fiscal quarters of fiscal 2015.

Edgar Filing: TRANS LUX CORP - Form 10-K

During our two most recent fiscal years and subsequent interim period preceding Deloitte & Touche LLP's engagement, neither the Company nor anyone on its behalf consulted Deloitte & Touche LLP regarding (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 consolidated financial statements, and no written report or oral advice was provided by Deloitte & Touche LLP to us that Deloitte & Touche LLP concluded was an important factor considered by our 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 described in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

Guidelines Regarding External Auditing Firms

Our Audit Committee has adopted guidelines relating to the rendering of services by external auditors. The principal terms are as follows:

Pre-Approval of Audit Services. The guidelines require the approval of the Audit Committee prior to retaining any firm to perform any Audit Services. Audit Services include the services necessary to audit our consolidated financial statements for a specified fiscal year and the following audit and audit-related services: (a) Statement on Auditing

Table of Contents**Item 2 on Proxy Card Ratification of Appointment of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm** (continued)

Standards No. 71 quarterly review services; (b) regulatory and employee benefit plan financial statement audits; and (c) compliance and statutory attestation services for our subsidiaries. Subject to limited exceptions, the policies further provide that the Audit Committee must pre-approve the engagement of our independent registered public accounting firm to provide any services other than Audit Services. The Chair of the Audit Committee may, however, pre-approve the engagement of our independent registered public accounting firm for such non-audit services to the extent the fee is reasonably expected to be less than \$150,000. Pre-approval will not be required for de minimis services if (i) the costs of such services in the aggregate are less than \$150,000 or 5% of the total fees of our independent registered public accounting firm, whichever is lesser during such fiscal year, (ii) such services were not recognized by us at the time of the engagement to be non-audit services; and (iii) such services are promptly and subsequently approved by the Audit Committee or the Chair of the Audit Committee (if reasonably expected to be less than \$150,000 or 5% of the total fees of our independent registered public accounting firm, whichever is lesser) prior to completion of the audit.

Executive Relationship Limitation. The guidelines provide that no firm shall perform for us any Audit Service if the Company's Chief Executive Officer, Chief Financial Officer, Controller, or Chief Accounting Officer, or any person serving in an equivalent position for the Company, was employed by that firm and participated in any capacity in the Company's audit during the one-year period preceding the date of the initiation of the audit.

Non-Audit Services Limitations. If the fee for any non-audit services is reasonably expected to be \$350,000 or more, we must seek at least one competing bid from another firm prior to engaging our independent registered public accounting firm, unless there are exceptional circumstances or if it relates to the public offering of our securities. Management will determine whether awarding the assignment to our independent registered public accounting firm would be advantageous to us because our independent registered public accounting firm could utilize its deeper knowledge of the Company to do a more efficient and effective job than another provider of services or could perform the services for a lower fee. While price will be a factor in evaluating competing proposals, professional competence, client service and experience in handling similar matters are also key factors. Prior to retaining our independent registered public accounting firm to perform services other than Audit Services, management will consider whether such retention could impair our independent registered public accounting firm's independence.

The guidelines prohibit us from engaging our independent registered public accounting firm to perform any of the following non-audit services or other services that the Public Company Accounting Oversight Board determines by regulation to be prohibited: bookkeeping or other services related to accounting records or financial statements; financial information systems design and implementation; appraisal or valuation services, fairness opinions, or contribution-in-kind reports; actuarial services; internal auditing outsourcing services; management functions or human resources; broker or dealer, investment advisor, or investment banking services; individual tax services to executives roles that involve financial reporting responsibility; or legal services and expert services unrelated to the audit.

Hiring Limitation. To avoid appearances of conflicts of interest, we will not hire before a one-year cooling-off period into either a finance function or an audit function personnel of our independent registered public accounting firm who are at the level of partner, principal or manager if such person worked on the audit of our consolidated financial statements during the fiscal year just ended or if such person is working on the audit of our consolidated financial statements for the current fiscal year.

Audit Partner Rotation. The guidelines provide that neither the lead or coordinating partner of our independent registered public accounting firm having primary responsibility for the our audit, nor the partner responsible for reviewing our audit, shall perform Audit Services for the Company for more than five consecutive fiscal years. An audit director can perform Audit Services for up to seven consecutive fiscal years.

On a quarterly basis, our independent registered public accounting firm reviews with the Audit Committee all audit, non-audit and tax services it provides to us. For 2015, all audit and non-audit services rendered by our independent registered public accounting firm were pre-approved in accordance with our policies.

Edgar Filing: TRANS LUX CORP - Form 10-K

In making its recommendation to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the 2016 fiscal year, the Audit Committee considered whether the provision of non-audit services by Deloitte & Touche LLP is compatible with maintaining Deloitte & Touche LLP's independence.

TELEDYNE TECHNOLOGIES INCORPORATED | 2016 Proxy Statement 19

Table of Contents

Audit Committee Report

The following report of the Audit Committee is included in accordance with SEC rules and regulations. It does not constitute soliciting material, is not deemed filed with the SEC and is not incorporated by reference into any of our filings under the Exchange Act.

Report of the Audit Committee

The following is the report of the Audit Committee with respect to the audited financial statements for the fiscal year ended January 3, 2016 (the Financial Statements) of Teledyne Technologies Incorporated and its consolidated subsidiaries (the Company).

The responsibilities of the Audit Committee are set forth in the Audit Committee Charter, as amended and restated as of December 15, 2009, which has been adopted by the Board of Directors. The Audit Committee is comprised of seven directors. The Company's Board of Directors has determined that each of the members of the Audit Committee is independent in accordance with the applicable rules of the New York Stock Exchange. The Board of Directors has also determined that at least one director has financial management expertise under New York Stock Exchange listing standards and that Simon M. Lorne is an audit committee financial expert within the meaning of the Securities and Exchange Commission regulations.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements, the Company's internal controls and financial reporting process and the procedures designed to assure compliance with accounting standards and applicable laws and regulations. Deloitte & Touche LLP (Deloitte & Touche), the Company's independent registered public accounting firm, is responsible for performing an independent audit of the Company's Financial Statements and expressing an opinion as to their conformity with generally accepted accounting principles. The Audit Committee reviewed and discussed the Company's Financial Statements with management and Deloitte & Touche, and discussed with Deloitte & Touche the matters required to be discussed by Auditing Standard No. 16, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board. The Audit Committee has received written disclosures and the letter from Deloitte & Touche required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte & Touche's communication with the Audit Committee concerning independence and has discussed with Deloitte & Touche its independence.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting and are not, and do not represent themselves to be, performing the functions of auditors or accountants. Members of the Audit Committee may rely without independent verification on the information provided to them and on the representations made by management and Deloitte & Touche. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not assure that the audit of the Company's financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that the Company's auditors are in fact independent.

Based on these reviews and discussions, the Audit Committee recommended to the Board of Directors that the Financial Statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2016, for filing with the Securities and Exchange Commission.

Submitted by the Audit Committee of the Board of Directors:

Simon M. Lorne, Chair

Frank V. Cahouet

Edgar Filing: TRANS LUX CORP - Form 10-K

Kenneth C. Dahlberg

Robert A. Malone

Paul D. Miller

Jane C. Sherburne

Michael T. Smith

February 23, 2016

20 **TELEDYNE TECHNOLOGIES INCORPORATED** | *2016 Proxy Statement*

Table of Contents

Item 3 on Proxy Card Advisory Resolution on Executive Compensation

In accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), which was added under the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are asking stockholders to approve an advisory resolution on the Company's executive compensation as reported in this Proxy Statement. As described below in the Compensation Discussion and Analysis section of this Proxy Statement, our executive compensation program is designed to attract and retain high quality executives and to align the interest of management with the interests of stockholders by rewarding both short- and long-term performance.

Teledyne's business confronted a number of challenges in 2015, including continued weakness in energy markets, broad-based contraction in many of the other commercial markets in which we participate, a strong U.S. dollar which burdened international sales, and weak global growth generally. We believe that our performance-oriented executive compensation program incentivized management to respond aggressively to a challenging business environment and appropriately reflected the Company's operating performance in 2015.

Revenue and net income attributable to Teledyne decreased 4.0% and 10.1%, respectively, from 2014 results.

Diluted earnings per share in 2015 were \$5.44, decreasing 5.4% from 2014.

Our management team successfully implemented steps to reduce our cost structure, including consolidating businesses and our manufacturing footprint, streamlining our management and sales and marketing structures, eliminating many leased facilities, and making difficult workforce reductions.

We maintained year-over-year GAAP operating margins, worked to stabilize revenue in our businesses most directly impacted by contracting markets and realized record sales in our commercial aerospace businesses.

We continued our global expansion by making several foreign-domiciled bolt-on acquisitions.

We urge stockholders to read the Compensation Discussion and Analysis below, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and related compensation tables and narratives which provide detailed information on the compensation of our named executives. The Personnel and Compensation Committee believes that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our named executives reported in this Proxy Statement has supported and contributed to the Company's success.

We are asking stockholders to approve the following advisory resolution at the 2016 Annual Meeting:

RESOLVED, that the compensation paid to the Company's named executives during 2015, as disclosed pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in the Proxy Statement for the Company's 2016 Annual Meeting of Stockholders, is hereby APPROVED, on an advisory basis.

This advisory resolution, commonly referred to as a say on pay resolution, is not binding on the Board of Directors or the Company. Although non-binding, the Board and the Personnel and Compensation Committee will carefully review and consider the voting results when evaluating our executive compensation program.

The proposal to adopt the advisory resolution set forth above will be approved by the stockholders if it receives the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the proposal. If you sign and return your proxy card, your shares will be voted (unless you indicate to the contrary) to approve the advisory resolution. If you specifically abstain from voting on the proposal, your shares will not affect the outcome of the vote.

Following the 2011 Annual Meeting of Stockholders, our Board of Directors voted to hold a vote on this advisory say on pay resolution on an annual basis.

Edgar Filing: TRANS LUX CORP - Form 10-K

The Board of Directors Recommends

a Vote FOR Approval of the Advisory Resolution

on Executive Compensation.

TELEDYNE TECHNOLOGIES INCORPORATED | *2016 Proxy Statement* 21

Table of Contents



Other Business

We know of no business that may be presented for consideration at the meeting other than the three action items indicated in the Notice of Annual Meeting. If other matters are properly presented at the meeting, including a proposal to adjourn or postpone the meeting, the persons designated as proxies in your proxy card may vote at their discretion.

Following adjournment of the formal business meeting, Dr. Robert Mehrabian, Chairman, President and Chief Executive Officer, will address the meeting and will hold a general discussion period during which the stockholders will have an opportunity to ask questions about our Company and businesses.

Table of Contents

Stock Ownership Information

Section 16(a) Beneficial Ownership Reporting Compliance

The rules of the SEC require that we disclose late filings of reports of stock ownership (and changes in stock ownership) by our directors and statutory insiders. To the best of our knowledge, all of the filings for our directors and statutory insiders were made on a timely basis in 2015.

Five Percent Owners of Common Stock

The following table sets forth the number of shares of our common stock owned beneficially by each person known to us to own beneficially more than five percent of our outstanding common stock. As of February 15, 2016, we had received notice that the individuals and entities listed in the following table are beneficial owners of five percent or more of our common stock. In general, beneficial ownership includes those shares that a person or entity has the power to vote or transfer, and options to acquire common stock that are exercisable currently or within 60 days. As of February 15, 2016, we had 34,601,955 shares outstanding.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR LLC 245 Summer Street Boston, MA 02210	3,738,680 ⁽¹⁾	10.81%
BlackRock, Inc. 40 East 52nd Street, New York, NY 10022	3,164,150 ⁽²⁾	9.14%
The Vanguard Group, Inc. 100 Vanguard Blvd Malvern, PA 19355	2,238,584 ⁽³⁾	6.47%
Wellington Management Group LLP 280 Congress Street Boston, MA 02210	2,007,806 ⁽⁴⁾	5.80%
Singleton Group LLC 335 North Maple Drive, Suite 177 Beverly Hills, CA 90210	1,999,900 ⁽⁵⁾	5.78%
Cambridge Global Asset Management A Business Unit of CI Global Investments, Inc. and CI Investments, Inc. 2 Queen Street East, 20 th Floor	1,779,430 ⁽⁶⁾	5.14%

1. Based on an amendment to Schedule 13G filed by FMR LLC with the SEC on February 12, 2016, reporting that it has sole voting power with respect to 207,675 shares and beneficially owns and has sole dispositive power with respect to 3,738,680 shares.
2. Based on an amendment to Schedule 13G filed with the SEC by BlackRock, Inc. on January 27, 2016, reporting that it has sole voting power with respect to 3,094,421 shares and beneficially owns and has sole dispositive power with respect to 3,164,150 shares.
3. Based on an amendment to Schedule 13G filed with the SEC by The Vanguard Group, Inc. on February 10, 2016, reporting sole voting power with respect to 54,842 shares, shared voting power with respect to 1,800 shares, shared dispositive power with respect to 53,029 shares and sole dispositive power with respect to 2,185,555 shares.
4. Based on an amendment to Schedule 13G filed with the SEC by Wellington Management Group LLP on February 11, 2016, reporting shared voting power with respect to 1,231,482 shares and shared dispositive power with respect to 2,007,806 shares.
5. Based on an amendment to Schedule 13G filed with the SEC by Singleton Group LLC, jointly with William W. Singleton, Christina Singleton Mednick and Donald E. Rugg, on July 31, 2007. Mr. Singleton, Ms. Mednick and Mr. Rugg reported that they share voting and dispositive power with respect to 1,999,900 shares in their capacities as managers of Singleton Group LLC. Mr. Rugg reported that he owned an additional 45 shares of common stock directly, with respect to which he has sole voting and dispositive power.
6. Based on a Schedule 13G filed with the SEC by Cambridge Global Asset Management on January 22, 2016, reporting sole voting and dispositive power with respect to 1,779,430 shares.

Table of Contents**Stock Ownership Information** (continued)**Stock Ownership of Management**

The following table shows, as of February 15, 2016, the number of shares of common stock beneficially owned by (i) our directors and executive officers named in the executive compensation tables, and (ii) our directors and Section 16 statutory officers as a group, including shares as to which a right to acquire ownership exists (for example, through the exercise of stock options) within the meaning of Rule 13d-3(d)(1) under the Exchange Act. Certain shares beneficially owned by our officers and directors may be held in accounts with third party brokerage firms.

Beneficial Owner	Number of Shares	Percent of Class
Robert Mehrabian	462,055 ⁽¹⁾	1.33%
Susan L. Main	71,839 ⁽²⁾	*
Aldo Pichelli	156,769 ⁽³⁾	*
Rex D. Geveden ⁽⁴⁾		*
Melanie S. Cibik	47,067 ⁽⁵⁾	*
Jason VanWees	69,013 ⁽⁶⁾	*
Roxanne S. Austin	29,494 ⁽⁷⁾	*
Frank V. Cahouet	138,387 ⁽⁸⁾	*
Charles Crocker	72,522 ⁽⁹⁾	*
Kenneth C. Dahlberg	48,793 ⁽¹⁰⁾	*
Simon M. Lorne	97,427 ⁽¹¹⁾	*
Robert A. Malone		*
Paul D. Miller	57,327 ⁽¹²⁾	*
Jane C. Sherburne	2,091 ⁽¹³⁾	*
Michael T. Smith	74,281 ⁽¹⁴⁾	*
Wesley W. von Schack	37,598 ⁽¹⁵⁾	*
All directors and executives as a group (18 persons)	1,388,631 ⁽¹⁶⁾	3.93%

* Less than one percent.

1. The amount includes 180,132 shares held by The Mehrabian Living Trust, of which Dr. Mehrabian and his wife are trustees. The amount also includes 31,372 shares of unvested restricted stock subject to forfeiture and 213,301 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.

2. The amount also includes 6,444 shares of unvested restricted stock subject to forfeiture, and 39,660 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016. Includes 1,150 shares acquired under Teledyne's Employee Stock Purchase Plan based on information received as of January 25, 2016. Also includes 1,000 shares held jointly by Ms. Main's spouse.

Edgar Filing: TRANS LUX CORP - Form 10-K

3. The amount includes 59,183 shares held by the Pichelli Living Trust, of which Mr. Pichelli and his wife are trustees. The amount also includes 9,879 shares of unvested restricted stock subject to forfeiture and 78,661 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016. Also includes 742 shares held in Teledyne's 401(k) plan and 802 shares acquired under Teledyne's Employee Stock Purchase Plan based on information received as of January 25, 2016.
4. Mr. Geveden resigned effective October 6, 2015.
5. The amount includes 3,898 shares of unvested restricted stock subject to forfeiture and 19,000 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016. Also includes 276 shares acquired under Teledyne's Employee Stock Purchase Plan and 2,874 shares held in Teledyne's 401(k) plan based on information received as of January 25, 2016.
6. The amount includes 3,729 shares of unvested restricted stock subject to forfeiture and 40,996 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016. Also includes 313 shares acquired under Teledyne's Employee Stock Purchase Plan and 2,449 shares held in Teledyne's 401(k) plan based on information received as of January 25, 2016.
7. The amount includes 2,000 shares held by the Thomas and Roxanne Austin Trust and 24,000 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.
8. This amount includes 43,841 shares held by a revocable trust, of which Mellon Bank, N.A. is trustee. The amount also includes 14,952 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.
9. The amount includes 13,513 shares held by The Crocker Revocable Trust, Charles Crocker, Trustee and 32,000 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.
10. The amount includes 41,912 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.
11. The amount includes 70,378 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.
12. The amount includes 38,588 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.
13. The amount includes 2,000 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.
14. The amount includes 46,187 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016. The amount also includes 200 shares owned by Mr. Smith's wife, beneficial ownership of which is disclaimed.
15. The amount includes 8,898 shares held by The von Schack revocable Trust, 700 shares held by the Wesley von Schack Revocable Trust, and 28,000 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016.
16. This amount includes an aggregate of 707,637 shares of our common stock underlying stock options exercisable within 60 days of February 15, 2016, and 61,383 shares of restricted stock or restricted stock units subject to forfeiture. This amount also includes 200 shares owned by Mr. Smith's wife of which beneficial ownership is disclaimed. See also footnotes 1, 3, 7, 8, 9 and 15 for the number of shares held jointly and in trusts. This amount includes shares beneficially held by two Section 16 executive officers not listed on the table since they are not named executives.

Table of Contents



Stock Ownership Information (continued)

Phantom Shares. Prior to January 1, 2015, non-employee directors could elect to defer payment of up to 75% of their annual retainer fees and committee chair fees and 100% of their meeting fees under the Teledyne Technologies Incorporated Executive Deferred Compensation Plan (Deferred Compensation Plan). Non-employee directors could elect to have their deferred monies treated as though they are invested in our common stock (Teledyne Common Stock Phantom Fund). Deferrals to the Teledyne Common Stock Phantom Fund mirrored actual purchases of stock, but no actual stock is issued and the award is settled in cash. There are no voting or other stockholder rights associated with the Teledyne Common Stock Phantom Fund. As of February 15, 2016, the following directors had the following number of phantom shares of common stock under the Deferred Compensation Plan: Charles Crocker 451 phantom shares; Frank V. Cahouet 12,101 phantom shares; Simon M. Lorne 1,049 phantom shares; Paul D. Miller 3,607 phantom shares; and Michael T. Smith 781 phantom shares.

Table of Contents

Executive and Director Compensation

Compensation Discussion and Analysis

Executive Summary and 2015 Overview

Our Compensation Objectives and Programs:

Our objective with respect to executive compensation is to attract and retain executives of the highest quality and to align the interests of management with the interests of stockholders by rewarding both short- and long-term performance. The key components of our executive compensation program are reviewed annually for appropriateness and include a balanced mix of short- and long-term compensation and cash and equity compensation.

Our executive compensation program is performance-oriented and based on a mix of multiple metrics, financial targets and performance periods. Short-term cash compensation consists of competitive base salaries and the Annual Incentive Plan (AIP). The AIP is our annual performance-based cash bonus program that is designed to principally reward year-over-year profitable growth. Long-term compensation consists of stock options, performance-based restricted stock awards and a performance share program (PSP). Stock options vest over a three-year period and are intended to align executive compensation with absolute stock price appreciation. Performance-based restricted stock awards are intended to align executive compensation with total shareholder return relative to the Russell 2000 Index over a three-year performance period. The PSP is designed to reward executives for achieving a mix of both profitable long-term growth and total shareholder return relative to the Russell 2000 Index over a three-year performance period. In addition, the PSP also serves to reinforce long-term executive retention since payments under the PSP are subject to further holding requirements and made in three annual installments following the completion of the three-year performance cycle.

Compensation for senior executives at Teledyne is determined by the Personnel and Compensation Committee. The Personnel and Compensation Committee sets target amounts for overall compensation and specific compensation components and determines the mix of short- and long-term compensation in part by benchmarking Teledyne's pay against compensation at peer group companies. The Personnel and Compensation Committee receives advice and assistance in setting compensation from an independent compensation consultant.

At the Company's 2015 Annual Meeting of Stockholders held on April 22, 2015, the non-binding advisory vote on executive compensation passed with an approval rate of over 95% of the votes cast. The Personnel and Compensation Committee believes this level of stockholder support reflects a strong endorsement of our executive compensation policies and philosophy and as a result did not change its approach to executive compensation in 2015. The Personnel and Compensation Committee will continue to consider the outcome of the Company's say on pay votes when making future compensation decisions for the named executives.

Highlights of 2015 Performance:

Teledyne confronted a number of challenges in 2015, including continued weakness in energy markets, broad-based contraction in many of the other commercial markets in which we participate, a strong U.S. dollar which burdened international sales, and weak global growth generally. We believe that our performance-oriented executive compensation program incentivized management to respond aggressively to a challenging business environment and appropriately reflected the Company's operating performance in 2015.

Revenue and net income attributable to Teledyne decreased 4.0% and 10.1%, respectively, from 2014 results. Diluted earnings per share in 2015 were \$5.44, decreasing 5.4% from 2014.

Edgar Filing: TRANS LUX CORP - Form 10-K

Our management team successfully implemented steps to reduce our cost structure, including consolidating businesses and our manufacturing footprint, streamlining our management and sales and marketing structures, eliminating many leased facilities, and making difficult workforce reductions.

We maintained year-over-year GAAP operating margins, worked to stabilize revenue in our businesses most directly impacted by contracting markets and realized record sales in our commercial aerospace businesses.

We continued our global expansion by making several foreign-domiciled bolt-on acquisitions.

Table of Contents

Compensation Discussion and Analysis (continued)

Teledyne's stock price declined 15.2% in fiscal 2015, compared to a total shareholder return of negative 5.2% for the Russell 2000 Index. The graph below shows Teledyne's cumulative total stockholder return (i.e. price change plus reinvestment of dividends) on our common stock for the five fiscal years ending January 3, 2016, as compared to the Standard & Poor's 500 Composite Index, the Russell 2000 Index and the Standard & Poor's 1500 Industrials. The graph assumes \$100 was invested on December 31, 2010. In accordance with the rules of the SEC, this presentation is not incorporated by reference into any of our registration statements under the Securities Act of 1933.

Summary of 2015 Executive Compensation

Teledyne's named executives for 2015 are:

Robert Mehrabian, Chairman, President and Chief Executive Officer;
Susan L. Main, Senior Vice President and Chief Financial Officer;
Aldo Pichelli, Chief Operating Officer;
Melanie S. Cibik, Senior Vice President, General Counsel and Secretary;
Jason VanWees, Senior Vice President, Strategy and Mergers & Acquisitions; and
Rex D. Geveden, Former Executive Vice President, Digital Imaging and Engineered Systems Segments

Teledyne's executive compensation in 2015 reflected the Company's financial performance, which was weaker than in 2014. A number of cost-reduction measures also impacted executive compensation. Anticipating headwinds from low energy prices, weak global growth and a strong U.S. dollar, the Personnel and Compensation Committee, with the support of executive management, elected to postpone annual stock option awards from 2015 to 2016. As stock options are a significant component of incentive compensation, long-term incentive and total compensation for named executives in 2015 were significantly less than in 2014. Effective February 28, 2015, the Company also froze accruals under the benefit restoration/pension equalization pension plan, which disproportionately impacted senior management participants, including our Chief Executive Officer. While not affecting 2015 compensation, in October 2015 the Personnel and Compensation Committee elected to not extend pay increases for 2016 to senior management, with the exception of those executives who received pay increases as a result of 2015 promotions.

Table of Contents

Compensation Discussion and Analysis (continued)

AIP awards for 2015 received by named executives were also lower than 2014, reflecting overall operating performance that was below plan. On average, AIP awards for named executives were 20% lower than 2014 amounts. Dr. Robert Mehrabian, Teledyne's Chairman, President and Chief Executive Officer, received an AIP award of \$1,004,500, which was 12% lower than his target amount and 35% lower than the amount of his 2014 AIP award.

In February 2015, the Personnel and Compensation Committee established a new three-year cycle under the PSP. For this 2015-2017 performance cycle, one-half of the award is payable in cash and one-half in shares of Teledyne common stock. Per SEC disclosure rules that require performance-based awards payable in stock to be recognized in the year in which the award is granted, the entire amount of the stock-based portion of this PSP award is included in the Summary Compensation Table as 2015 compensation under the column headed Non-Equity Incentive Plan Compensation, even though shares awarded, if any, would not be issued until after 2017.

In February 2015, the Personnel and Compensation Committee also established three-year performance-based restricted stock awards, at levels consistent with amounts made in 2014.

Base salaries are generally reviewed and set by the Personnel and Compensation Committee in October of each year. Named executives received increases in base salary beginning January 1, 2015, which amounts were approved by the Personnel and Compensation Committee in October 2014. Dr. Mehrabian received an increase of 2.7%, Mr. Pichelli, Ms. Main, Mr. Geveden, Miss Cibik and Mr. VanWees each received an increase of 2.5%. At its meeting in October 2015 to review salaries to take effect in 2016, the Personnel and Compensation Committee, based on the recommendation of Dr. Mehrabian and other factors, approved no increases to base salaries for the named executives other than for Mr. Pichelli. Mr. Pichelli was promoted to Chief Operating Officer in October 2015 and as a result his base salary was increased to \$550,000 (from \$500,000).

During the three-year period ended December 31, 2015, Teledyne's stock price growth was 102.4% of the growth in the Russell 2000 Index for the same period. As a result, in January 2016, participants in Teledyne's performance-based restricted stock program received 100% of the 2013 restricted stock award, which had a three-year performance period ended December 31, 2015. In October 2013, Dr. Mehrabian was issued a one-time additional restricted stock award. During the period from the grant date of this restricted stock award through December 31, 2015, Teledyne's stock price growth was 97.4% of the growth in the Russell 2000 Index for the same period. As a result, in January 2016, Dr. Mehrabian received 97.4% of the shares subject to this performance-based restricted stock award and forfeited 2.6% of the shares.

Commitment to Best Practices:

The Personnel and Compensation Committee periodically reviews its compensation policies and practices in light of best practices and makes appropriate adjustments when necessary. For example, in 2010, all of our currently employed named executives agreed to amend their change in control severance agreements to eliminate automatic single trigger vesting of stock options, excise tax gross-ups for excess parachute payments and to change the formula used to calculate severance payments.

Teledyne seeks to develop pay programs that are reflective of good corporate governance. Among other things:

we do not guarantee bonuses, or equity awards, outside of certain new hire situations;

we do not exercise discretionary upward adjustment to incentive awards for named executives;

Edgar Filing: TRANS LUX CORP - Form 10-K

base salaries and other components of compensation are informed by external market conditions including peer group data approved by the Personnel and Compensation Committee, which consists entirely of independent directors;

performance incentive awards are capped and there will be no payout if minimum performance goals are not achieved;

executive perquisites that are generally not available to other employees are minimal and in the case of our Chief Executive Officer limited to a car allowance;

we have never re-priced stock options;

our insider trading policy prohibits the pledging or hedging of company stock by directors and executive officers;

28 **TELEDYNE TECHNOLOGIES INCORPORATED** | *2016 Proxy Statement*

Table of Contents

Compensation Discussion and Analysis (continued)

we implemented stock ownership guidelines for key executive officers and directors in 2008 (which levels were increased for many participants in 2015 to be effective in 2016); and

in February 2014 we adopted a formal policy related to the clawback of incentive compensation in the event of a material financial misstatement or in the event of fraud or criminal misconduct.

Personnel and Compensation Committee

The Personnel and Compensation Committee reviews and administers the compensation for the Chief Executive Officer and other members of senior management, including the named executives listed on the Summary Compensation Table beginning on page 45 of this Proxy Statement. In the case of the Chief Executive Officer, the compensation determination made by the Personnel and Compensation Committee is reviewed by the entire Board. The Personnel and Compensation Committee is composed exclusively of non-employee, independent directors. The Personnel and Compensation Committee retained the compensation consultants Exequity LLP to assist the Personnel and Compensation Committee in fulfilling its responsibilities in 2015. The services that Exequity LLP performed for Teledyne were related to executive and director compensation and were primarily in support of decision-making by the Personnel and Compensation Committee and, in the case of director compensation, the Nominating and Governance Committee. No other services were provided by Exequity LLP for the Company. In January 2015 and again in January 2016, the Personnel and Compensation Committee conducted a conflict of interest assessment of Exequity LLP, and no conflicts of interest were identified resulting from retaining Exequity LLP. In reaching these conclusions the Personnel and Compensation Committee considered factors set forth in applicable rules promulgated by the SEC.

The Personnel and Compensation Committee has a written charter that delineates its responsibilities, a full copy of which is posted on our website at www.teledyne.com under Corporate Information Governance. Among other duties, the charter states that the Personnel and Compensation Committee shall review and approve the corporate goals and objectives relevant to the Chief Executive Officer and other executive officer compensation, evaluate Chief Executive Officer and other executive officer performance in light of those goals and objectives, and determine and approve all compensation of the chief executive officer and other executive officers based on this evaluation. In determining the long-term incentive component of Chief Executive Officer compensation, the Personnel and Compensation Committee considers corporate performance and shareholder return relative to the Russell 2000 Index, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the Chief Executive Officer in past years. The charter also states that the Personnel and Compensation Committee will review and approve any employment agreements and severance arrangements, any change-in-control agreements and change-in-control provisions affecting any elements of compensation and benefits, and any special or supplemental compensation and benefits for the Chief Executive Officer and executive officers, including supplemental retirement benefits and the perquisites provided to them during and after employment.

Our Chief Executive Officer works with the Personnel and Compensation Committee Chair, our Senior Vice President, General Counsel and Secretary and the Vice President of Human Resources in establishing the agenda for the Personnel and Compensation Committee and makes compensation recommendations for the named executives (other than himself).

Peer Group Comparisons

Our peer group that we use for comparative purposes is intended to be representative of companies of similar size to us in the industries in which we compete, specifically instrumentation, digital imaging, aerospace and defense electronics and systems engineering. Such peer group is not used for the purposes of the performance graph included in the Executive Summary and 2015 Overview section above and in our Annual Report. In order to provide benchmark data for those jobs not matched to positions in the peer group, data from other published survey sources was used as additional reference, including the Aon Hewitt Total Compensation Survey.

Table of Contents**Compensation Discussion and Analysis** (continued)

Our peer group is currently comprised of the following companies:

Actuant Corporation	IDEX Corporation
Ametek Inc.	ITT Corporation
Bruker Corporation	MOOG, Inc.
CACI International, Inc.	Orbital ATK, Inc.
Crane Co.	PerkinElmer, Inc.
Curtiss-Wright Corporation	Teradyne Inc.
Esterline Technologies Corporation	Woodward, Inc.
Flir Systems, Inc.	Xylem, Inc.

The Personnel and Compensation Committee reviews the peer group on an annual basis. In October 2015, the Personnel and Compensation Committee added Orbital ATK, Inc. to our peer group and two companies, Alliant Techsystems, Inc. and Exelis, Inc., were removed as a result of these companies being acquired and no longer publicly traded. The Personnel and Compensation Committee believes that Orbital ATK, Inc., as the successor company to Alliant Techsystems, Inc., is a natural replacement, manages the industry mix by keeping an aerospace/defense company in the peer group, and is properly sized in terms of market capitalization and revenue.

Our peer group contains companies having median annual revenues and market capitalizations of \$2.2 billion and \$3.7 billion, respectively. In 2015, Teledyne's annual revenues were approximately \$2.3 billion and its market capitalization as of end of 2015 was approximately \$3.1 billion. The Personnel and Compensation Committee also reviews data collected from a broader industry group consisting of 105 companies in order to understand what an executive with comparable responsibility to a Teledyne executive would earn in the broader industry. The companies in the general industry group have annual revenues of between \$1.0 billion and \$5.0 billion (with a median of \$2.6 billion) and the general industry group excludes financial organizations.

Determining the Amount and Mix of Compensation

Our compensation program is designed to balance our need to provide our executives with incentives to achieve our short-term and long-term performance goals with the need to pay competitive base salaries. In October of each year the Personnel and Compensation Committee, with assistance from Exequity LLP, reviews and compares each named executive's pay to various market data points for that named executive's position. For purposes of this review, the Personnel and Compensation Committee considers an executive's total annual compensation to be the sum of current year base salary, actual cash bonus paid in the current fiscal year, target bonus levels, the aggregate fair value of stock options granted during the fiscal year, the face value of performance-based restricted stock granted during the fiscal year and the target value of PSP awards, annualized over three years.

Table of Contents**Compensation Discussion and Analysis** (continued)

The Personnel and Compensation Committee is guided by market benchmark information in setting compensation levels and determining the mix of cash and non-cash compensation. It typically aims to set fixed pay at the 50th percentile and performance-based compensation at between the 50th percentile and 75th percentile, in recognition that we compete with much larger companies for executive-level talent and to further incentivize executives to achieve long-term performance goals. The Personnel and Compensation Committee will consider the amount of prior salary increases, stock option grants and performance-based restricted stock grants as a factor in determining compensation for the current period. The table below shows the targeted components of pay and total compensation in terms of percentage deviation from the peer group and general industry median for each of our named executives as presented to the Personnel and Compensation Committee in October 2015. Mr. Geveden resigned in October of 2015 and his compensation was not reviewed by the Committee.

Robert Mehrabian:

	Peer Group Median	General Industry Median
Base salary	+17%	-1%
Target bonus	+38%	+14%
Target long-term compensation	-52%	-59%
Target total compensation	-26%	-36%

Susan L. Main:

	Peer Group Median	General Industry Median
Base salary	-9%	-11%
Target bonus	-14%	-12%
Target long-term compensation	-65%	-58%
Target total compensation	-42%	-36%

Aldo Pichelli:

	Peer Group Median*	General Industry Median
Base salary		-17%
Target bonus	+2%	-23%
Target long-term compensation	-53%	-60%
Target total compensation	-30%	-42%

* Using 2nd Highest Paid for peer group and Chief Operating Officer for general industry as benchmark. Mr. Pichelli was promoted to Chief Operating Officer of Teledyne in October 2015.

Melanie S. Cibik:

Edgar Filing: TRANS LUX CORP - Form 10-K

	Peer Group Median	General Industry Medi
Base salary	-3%	-1%
Target bonus	-9%	-6%
Target long-term compensation	-57%	-44%
Target total compensation	-29%	-23%

Jason VanWees:

	Peer Group Median	General Industry Medi
Base salary		+14%
Target bonus	-1%	+26%
Target long-term compensation	-58%	-43%
Target total compensation	-32%	-5%

Table of Contents**Compensation Discussion and Analysis** (continued)

As noted in the Executive Summary above, the significant deviation from the benchmark medians with respect to target long-term compensation and target total compensation was principally the result of the decision to not award stock options in 2015.

The following allocation of compensation between base salary, bonus and estimated long-term compensation for our Chairman, President and Chief Executive Officer and all other named executives as a group (in each case without typical option grants), excluding Mr. Geveden, who resigned in October 2015:

	Robert Mehrabian	Other Named Executive Officers
Base salary	17%	37%
Estimated target bonus	25%	32%
Estimated long-term compensation	58%	31%

Base Salary. Base salary for all management positions generally will be targeted at the industry/market median for comparable positions unless there are sound reasons, such as competitive factors for a particular executive's skill set, for varying significantly from industry medians. The Personnel and Compensation Committee's judgment will always be the guiding factor in base salary determinations, as well as any other compensation issue. The principal factors considered in decisions to adjust base salary are changes in compensation in our general industry and at our peer companies, our recent and projected financial performance, individual performance measured against pre-established goals and objectives, criticality of the executive's role, level of experience and market demand.

Base salaries are reviewed by the Personnel and Compensation Committee in October of each year and general merit increases, if any, take effect in January of the following year. Base salaries are also reviewed at the time of a promotion or other changes in responsibilities. In October 2014, after consultation with Exequity, the Personnel and Compensation Committee approved base salaries of the named executives to be effective on January 1, 2015 as follows: Dr. Mehrabian: \$955,000; Ms. Main: \$435,700; Mr. Pichelli: \$446,500; Mr. Geveden: \$445,900; Miss Cibik: \$395,400 and Mr. VanWees: \$378,310. In February 2015, Mr. Pichelli's base salary was increased to \$500,000 in recognition of his increased responsibilities and contributions. As noted above, Mr. Pichelli's base salary was increased to \$550,000 in October 2015.

Short-Term Incentives. AIP awards are cash bonuses based on the achievement of pre-defined performance measures, with up to 200% of the target award paid in the case of significant over-achievement and no bonus paid if operating performance is below 75% of target. The majority of the awards are based on our achievement of financial performance goals, with a smaller portion tied to the achievement of pre-established individual goals.

The AIP award is expressed as a percentage of the participant's base salary as of the end of the plan year. The following schedule shows the award guidelines for the 2015 awards for named executives as a percentage of 2015 base salary:

Participants	AIP Award as a Percent of Salary		
	Target	Maximum	Actual
Robert Mehrabian	120%	240%	105%
Susan L. Main	75%	150%	78%
Aldo Pichelli	80%	160%	70%
Rex D. Geveden	80%	160%	

Edgar Filing: TRANS LUX CORP - Form 10-K

Melanie S. Cibik	60%	120%	63%
Jason VanWees	60%	120%	63%

The target and maximum percentages were the same as in 2014. Mr. Geveden, who resigned in October 2015, did not receive an AIP award.

Table of Contents**Compensation Discussion and Analysis** (continued)

The AIP award is tied to the achievement of predetermined levels of operating profit, revenue, accounts receivable and inventory as a percentage of sales (ARIS) and the achievement of specific individual performance goals. We chose operating profit, revenue and ARIS as the components of the award because we believe these measures are key objective indicators of our year-over-year financial performance. The use of revenue and operating profit is designed to encourage profitable growth, while the use of ARIS is designed to promote operational efficiency. The AIP components are weighted as follows for corporate executives and business segment executives:

Corporate Officers			
Award Component	Weighting	Segment Executive Award Component	Weighting
Operating Profit	40%	Total Company Operating Profit	8%
Revenue	25%	Operating Profit at Business Segment	32%
ARIS	15%	Total Company Revenue	5%
Individual Performance Objectives	20%	Revenue at Business Segment	20%
	Total	ARIS (Total Company)	3%
		ARIS (Business Segment)	12%
		Individual Performance Objectives	20%
		Total	100%

For purposes of the 2015 AIP, all the named executives are Corporate Officers. Each of the performance measures allows for participants to earn between zero and 200% of the target at threshold and maximum performance levels, with the overall weighting emphasizing profitable growth that exceeds our business plan. Corporate operating profit serves as an absolute threshold for the entire AIP: if operating profit is below 75% of target, no AIP award will be earned. Both the operating profit and revenue components are further weighted so that performance above the target is rewarded proportionally better than performance below the target, as more fully described below:

Operating Profit	If actual performance equals or exceeds 120% of target, the component is weighted by multiplying the percentage by 2 (200%). If actual performance is less than 75% of target, the component is given a weighting of 0%. To the extent actual performance falls between 75% and 120% of target, the multiplying factor is adjusted proportionally (a reduction of three percent for each percentage point that actual performance falls below 100% and an increase of five percent for each percentage point that actual performance is above 100%).
Revenue	If actual performance equals or exceeds 120% of target, the component is weighted by multiplying the percentage by 2 (200%). If actual performance is less than 67% of target, the component is given a weighting of 0%. To the extent actual performance falls between 67% and 120% of target, the multiplying factor is adjusted proportionally (a reduction of three percent for each percentage point that actual performance falls below 100% and an increase of five percent for each percentage point that actual performance is above 100%).
ARIS	If actual performance is equal to or greater than 105% of target the component is weighted by multiplying the percentage by 2 (200%). If actual performance is equal to or less than 95% of target, the component is given a weighting of 0%. To the extent actual performance falls between 95% and 105% of target, the multiplying factor is adjusted proportionally.
Individual Performance Objectives	Weighted proportionally on a scale of 0% to 200%.

Edgar Filing: TRANS LUX CORP - Form 10-K

The sum of the components, after being weighted for performance, is then multiplied by the executive's target AIP award as a percent of base annual salary to arrive at the executive's performance adjusted AIP percentage. To this amount the Personnel and Compensation Committee may make downward (but not upward) discretionary adjustments for named executives.

Table of Contents**Compensation Discussion and Analysis** (continued)

The tables below show operating profit, revenue and ARIS for 2015 as compared to target amounts by relevant business segment:

Operating profit (in millions):

	2015 Results as a Percentage of		
	Target	Actual 2015 Results	Target
Teledyne (corporate)	\$296.6	\$266.6	89.9%
Instrumentation Segment	\$208.0	\$174.4	83.8%
Digital Imaging Segment	\$ 56.1	\$ 42.5	75.8%
Aerospace and Defense Electronics Segment	\$101.4	\$ 81.3	80.2%
Engineered Systems Segment	\$ 19.5	\$ 18.8	96.2%

Revenue (in millions):

	2015 Results as a Percentage of		
	Target	Actual 2015 Results	Target
Teledyne (corporate)	\$2,568.0	\$2,345.3	91.3%
Instrumentation Segment	\$1,245.9	\$1,083.4	87.0%
Digital Imaging Segment	\$438.6	\$385.7	87.9%
Aerospace and Defense Electronics Segment	\$650.3	\$599.7	92.2%
Engineered Systems Segment	\$283.2	\$276.5	97.6%

ARIS:

	2015 Results as a Percentage of		
	Target	Actual 2015 Results	Target
Teledyne (corporate)	27.5%	27.2%	101.1%
Instrumentation Segment	26.8%	30.1%	87.7%
Digital Imaging Segment	23.9%	24.7%	96.7%
Aerospace and Defense Electronics Segment	27.7%	30.7%	89.2%
Engineered Systems Segment	8.8%	7.4%	115.9%

Edgar Filing: TRANS LUX CORP - Form 10-K

For purposes of determining operating profit and revenue for the AIP, we adjust the amounts for inter- company sales and certain one-time events and tax items. Operating profit excludes interest and corporate expense (except for corporate executives). Target amounts are derived from our business plan, which is presented to and approved by our Board in January of each year.

The following is an illustration of the AIP award calculation using the example of a hypothetical corporate executive with a salary of \$300,000 and a target AIP award of 60%, using actual corporate performance results for 2015:

Performance Goal	Performance Goal as % of AIP Award	Actual Performance % of Target	Unweighted Performance Outcome (multiplier)	Adjusted Performance Goal as a % of AIP Award
Operating Profit	40%	89.9%	69.7%	27.9% [40%*0.697]
Revenue	25%	91.3%	73.9%	18.5% [25%*0.739]
ARIS	15%	101.1%	121.8%	18.3% [15%*1.218]
Individual Objectives	20%	100%	100%	20% [20%*1.0]
Performance Weighing of AIP Award				84.7%

Assuming no discretionary adjustment by the Personnel and Compensation Committee, the hypothetical executive's performance adjusted AIP award would be 50.82% of salary (60% *84.7%), or \$152,460.

Table of Contents**Compensation Discussion and Analysis** (continued)

Individual performance objectives typically consist of between five and eight goals for each named executive that are weighted in terms of importance. Some of the goals are corporate-level goals shared by all named executives and some goals are specific to individual executives. The goals are qualitative and quantitative in nature. Corporate-level goals included continued implementation of our three-year strategic plan and the achievement of specific revenue and earnings per share targets set forth in our operating plan. Individual-specific goals included achieving specified targets for cost reductions, free cash flow, warranty and rework costs and working capital, improving linear shipments, reviewing compliance functions to ensure adequate staffing, training, policies and processes are in place to comply with laws, ensuring effective internal control procedures, successfully implementing and consolidating financial planning systems, succession planning, and successfully implementing the Company's acquisition strategy and integrating acquired businesses. In 2015, achievement of no specific individual performance goal for named executives accounted for more 10% of a named executive's actual bonus.

The Personnel and Compensation Committee determined that Dr. Mehrabian achieved 115% of his individual performance objectives, based on his efforts in achieving important financial objectives in a challenging business environment, successfully implementing plans to reduce the company's cost structure and maintain margins, ensuring effective internal control structures and compliance with laws and Company policies, and streamlining the Company's senior management structure. Based on recommendations by the Chairman, President and Chief Executive Officer, the Committee determined that: Ms. Main achieved 200% of her individual performance objectives, in part due to her efforts to upgrade internal controls, especially with respect to contract review, revenue recognition and IT controls, and her leadership in connection with the Company's transition to a new independent public company accounting firm; Mr. Pichelli achieved 200% of his individual performance objectives, in part due to his assumption in October 2015 of the role of Chief Operating Officer and his leadership in improving performance in the Digital Imaging and Engineered Systems segments following his promotion; Miss Cibik achieved 200% of her individual performance objectives, due in part to her leadership in obtaining favorable litigation settlements, her management of outside legal expenses and the overall quality of her legal advice; and Mr. VanWees achieved 200% of his individual performance objectives, due in part to his leadership in merger and acquisition activities and his undertaking of added responsibilities in connection with the transition of management at an acquired business.

It is the policy of the Personnel and Compensation Committee not to make discretionary upward adjustments in determining AIP awards for named executives and no such adjustments were made in determining actual 2015 AIP awards.

For 2015, aggregate awards for all employees were paid from a pool equal to 4.8% of operating profit before payment of AIP awards, which is less than the 11% limit initially established by the Personnel and Compensation Committee when it approved the 2015 AIP goals. The 11% limit is a cap for the aggregate bonus amounts. It is not a pre-determined amount from which bonuses are to be distributed; instead it serves as a control to ensure that the actual aggregate AIP award is not unreasonable.

Long-Term Incentives. Long-term incentives consist of three components: stock options, a three-year PSP and a performance-based restricted stock award program. We believe that the incentives provided by our stock options, PSP award and performance-based restricted stock award programs are consistent with our compensation goals of employee retention, rewarding executives for long-term performance and rewarding executives for long-term increases in our stock price, both in absolute terms and as compared to the broader market. The terms of our 2014 Incentive Award Plan require that all full value awards, which include shares issued under our performance-based restricted stock award program and PSP, have vesting schedules of at least three years. We believe the three-year vesting or performance period of our long-term incentives is consistent with market practice and our overall compensation objectives.

Stock Options. Stock options generally are awarded annually to a broad group of key employees who are nominated by management to receive awards and whose awards the Personnel and Compensation Committee approves. In practice, the amount of the award generally depends on the employee's position. Stock options provide our employees with the opportunity to participate in shareholder value created as a result of stock price appreciation, and as a result further our objective of aligning the interests of management with the interests of our stockholders.

Table of Contents**Compensation Discussion and Analysis** (continued)

All stock options granted are non-qualified stock options, vest at a rate of one-third per year, with full vesting at the end of three years and have a term of ten years. A description of the terms under our incentive plans related to the treatment of stock options upon termination of employment can be found under the heading **Potential Payments Upon Termination or a Change in Control** on page 54 of this Proxy Statement.

In 2015, in anticipation of headwinds and challenges facing Teledyne, no stock options were awarded.

Performance Share Program. PSP awards are intended to reward executives to the extent we achieve specific pre-established financial performance goals and provide a greater long-term return to shareholders relative to a broader market index. The PSP provides grants of performance share units, which key officers and executives may earn if we meet specified performance objectives over a three-year period. Forty percent of the award is based on the achievement of specified levels of operating profit, 30% on the achievement of specified levels of revenue and 30% on the achievement of specified levels of return to shareholders. For the 2012-2014 and 2015-2017 cycles, the Russell 2000 Index is the benchmark for the specified return to shareholders component. No awards are made if the three-year aggregate operating profit is less than 75% of target, unless the Personnel and Compensation Committee determines otherwise. The percentages referred to above are then adjusted to reflect the extent to which actual performance is greater or less than the target. Performance above the target is rewarded proportionally better than performance below the target, as more fully described below:

Operating Profit	If actual performance equals or exceeds 120% of the target, the component is weighted by multiplying the percentage by 2 (200%). If actual performance is less than 75% of target, the component is given a weighting of 0%. To the extent actual performance falls between 75% and 120% of target, the multiplying factor is adjusted proportionally (a reduction of three percent for each percentage point that actual performance falls below 100% and an increase of five percent for each percentage point that actual performance is above 100%).
Revenue	If actual performance equals or exceeds 120% of the target, the component is weighted by multiplying the percentage by 2 (200%). If actual performance is less than 67% of target, the component is given a weighting of 0%. To the extent actual performance falls between 67% and 120% of target, the multiplying factor is adjusted proportionally (a reduction of three percent for each percentage point that actual performance falls below 100% and an increase of five percent for each percentage point that actual performance is above 100%).
Return to Shareholders	If actual performance equals or exceeds 120% of the target, the component is weighted by multiplying the percentage by 2 (200%). If actual performance is less than 67% of target, the component is given a weighting of 0%. To the extent actual performance falls between 67% and 120% of target, the multiplying factor is adjusted proportionally.

The sum of the components, after being weighted for performance, is then multiplied by the executive's target PSP opportunity percentage to arrive at the executive's performance adjusted PSP award, which is expressed as a percentage of base salary. The maximum award is 200% of the executive's target PSP opportunity percentage. Operating profit and revenue includes contributions from acquisitions during the performance cycle and may be adjusted to reflect the impact of significant changes in accounting principles, discontinued operations, unusual or extraordinary corporate transactions, events or developments, and unusual tax benefits.

Awards are generally paid to the participants in three annual installments after the end of the performance cycle so long as they remain employed. A description of the treatment of PSP awards upon termination of employment can be found under the heading **Potential Payments Upon Termination or a Change in Control** beginning on page 54 of this Proxy Statement. Awards are generally paid 50% in cash and 50% in stock, subject to availability of shares. The award for the 2012-2014 performance cycle for named executives will be paid 100% in cash, due to the unavailability of shares under the Company's incentive award plan at the time that award was established.

Table of Contents**Compensation Discussion and Analysis** (continued)

In February 2015, the Personnel and Compensation Committee established a performance cycle for the three-year period ending on the last day of the 2017 fiscal year. The 2015-2017 performance cycle has the following target performance goals:

Performance Goal	Target
Operating Profit	Aggregate of \$981.0 million for three years
Revenue	Aggregate revenue of \$7,878.3 million for three years
Return to Shareholders	Return on Teledyne stock equal to the return of the Russell 2000 Index over three years

These performance targets are used by Teledyne solely for compensation purposes and should not be understood to be management's expectations or guidance relating to future financial performance.

As of the end of the 2015 fiscal year, there were 36 participants in the 2015-2017 performance cycle. All of the named executives in the Summary Compensation Table participate in the 2015-2017 PSP.

The PSP award is expressed as a percentage of the participant's base salary as of the date that the award is granted. The percentage may be increased on a prorated basis during the award cycle in the case of promotions. The following schedule shows the awards under the 2015-2017 cycle of the PSP for named executives expressed as a percentage of 2015 base salary (the year in which the PSP cycle was established):

Participants	PSP Award as a Percent of 2015 Base Salary	
	Target	Maximum
Robert Mehrabian	150%	300%
Susan L. Main	125%	250%
Aldo Pichelli	125%	250%
Rex D. Geveden	125%	250%
Melanie S. Cibik	125%	250%
Jason VanWees	100%	200%

Per SEC disclosure rules that require performance-based awards payable in stock to be recognized in the year in which the award is granted, the entire amount of the stock-based portion of the 2015-2017 PSP award is included in the Summary Compensation Table as 2015 compensation under the column headed "Non-Equity Incentive Plan Compensation," even though no shares would be issued under this award until after 2017. This is explained in more detail in footnote 4 to the Summary Compensation Table on page 45. Pursuant to SEC guidance, the cash portion of the performance share award for the 2015-2017 performance cycle, if earned, will be included in the Summary Compensation Table under the Non-Equity Incentive Plan Compensation column in the year in which the performance criteria were met (i.e., 2017—the last year of the performance cycle).

The potential cash and stock payouts under the 2015-2017 performance cycle to the named executive officers are set forth in the Grants of Plan-Based Awards Table. Actual cash and stock payments under the 2015-2017 performance share program will occur in three equal annual installments, with the first installment being paid in February 2018, provided the named executive officer remains an employee at the time of the applicable payout.

In January 2012, the Personnel and Compensation Committee established a performance cycle for the three-year period ended December 28, 2014. With respect to this 2012-2014 cycle, in January 2015 the Personnel and Compensation Committee determined that 134.6% of the target performance was met. The amount of cash that the named executives received under the 2012-2014 performance cycle in 2015 can be found in

footnote 4 to the Summary Compensation Table.

Performance-Based Restricted Stock Award Program. This program provides grants of performance-based restricted stock, generally each calendar year, to key employees at an aggregate fair market value equal to a percentage of each recipient's annual base salary as of the date of the grant, unless otherwise determined by the Personnel and Compensation Committee. The restrictions are subject to both a time-based and performance-based component. In general, the restricted period for each grant of performance-based restricted stock extends from the

Table of Contents**Compensation Discussion and Analysis** (continued)

date of the grant to the third anniversary of such date, with the restrictions lapsing on the third anniversary. However, unless the Personnel and Compensation Committee determines otherwise, if we fail to meet certain minimum performance goals for a multi-year performance cycle (typically three years) established by the Personnel and Compensation Committee as applicable to a performance-based restricted stock award, then all of the restricted stock would be forfeited. If we achieve the minimum performance goals, but fail to attain an aggregate level of 100% of the targeted performance goals, then a portion of the restricted stock would be forfeited.

The following schedule shows the percent of base salary used to determine the restricted stock awards granted in 2015 to named executives:

Participants	Restricted Stock Award as a Percent of Base Salary
Robert Mehrabian	100%
Susan L. Main	45%
Aldo Pichelli	60%
Rex D. Geveden	60%
Melanie S. Cibik	30%
Jason VanWees	30%

The targeted performance goal for 2015, as in previous years, is the price of our common stock as compared to the Russell 2000 Index. In order for a participant to retain any of the restricted shares, our three-year aggregate return to shareholders (as measured by our stock price) must be more than 35% of the performance of the Russell 2000 Index for the three-year period. If our stock performance is less than 35% of the Russell 2000 Index performance, all restricted shares would be forfeited. If it ranges from 35% to less than 100%, a portion of the restricted shares will be forfeited. If it is 100% or greater, no shares are forfeited and the participant does not receive additional shares.

We believe that benchmarking the performance-based restricted stock performance goals to a broader market index like the Russell 2000 Index aligns the interest of management and stockholders because executives are rewarded only to the extent that our stock price performs relative to the stock prices of companies with similar market capitalizations.

A participant cannot transfer the restricted stock during the restricted period. In addition, during the restricted period, restricted stock generally will be forfeited upon a participant's termination of employment. A description of the treatment of performance-based restricted stock awards upon termination of employment in cases of death, disability or retirement can be found under the heading Potential Payments Upon Termination or a Change in Control beginning on page 54 of this Proxy Statement. Upon expiration of the restricted period, absent any forfeiture, we will deliver to the recipient certificates for the appropriate number of shares of common stock, as determined by the Personnel and Compensation Committee based on achievement of the specified performance objectives, free of the restrictive legend.

We granted performance-based restricted stock to key employees on January 26, 2016, February 17, 2015, January 21, 2014, January 22, 2013 and January 24, 2012. Restrictions on 100% of the January 24, 2012 award lapsed on January 24, 2015, since the performance of our stock price was 114.9% of that of the Russell 2000 for the three-year period ended December 31, 2014, and the Personnel and Compensation Committee confirmed release of all restrictions on February 23, 2015. Restrictions on 100% of the January 22, 2013 award lapsed on January 26, 2016, since the performance of our stock price was 102.4% of that of the Russell 2000 for the three-year period ended December 31, 2015, and the Personnel and Compensation Committee confirmed release of all restrictions on January 26, 2016. In October 2013, Dr. Mehrabian was issued a one-time additional restricted stock award. During the period from the grant date of this restricted stock award through December 31, 2015, Teledyne's stock price growth was 97.4% of the growth in the Russell 2000 Index for the same period. As a result, in January 2016, Dr. Mehrabian received 97.4% of this performance-based restricted stock program and forfeited 2.6%.

Edgar Filing: TRANS LUX CORP - Form 10-K

For purposes of the Summary Compensation Table, performance-based restricted stock awards are valued at fair value on the date of grant as calculated in accordance with FASB ASC Topic 718 and this value is reported in the Stock Awards column.

Table of Contents**Compensation Discussion and Analysis** (continued)

The potential payouts under February 17, 2015 restricted stock can be found in the table headed "Grants of Plan-Based Awards" on page 47 of this Proxy Statement. The maximum number of shares that the named executive could retain under the performance-based restricted stock awards granted on January 22, 2013, January 21, 2014 and January 20, 2015, can be found in the table headed "Outstanding Equity Awards at Fiscal Year End" beginning on page 48 of this Proxy Statement.

Stock Ownership Policies

Our Personnel and Compensation Committee believes stock-based compensation is an important element of compensation and, as discussed above, stock-based compensation figures prominently in our mix of compensation. In 2008, our Board adopted stock ownership guidelines that require key executives and non-employee directors to maintain ownership of a specified amount of Teledyne common stock. In October 2015, the Nominating and Governance Committee of our Board amended the guidelines to require, effective in 2016, that Presidents of consolidated business units having annual revenues of \$100 million or more maintain an ownership value equal to two times base salary (increased from one times base salary). Key executives are required to own shares of Teledyne common stock equal in market value to the amount set forth below:

Position	Value of Shares
	Owned
Chairman, President and Chief Executive Officer	5 x base salary
Corporate Chief Operating Officer, Senior Vice Presidents or Higher	3 x base salary
Segment Presidents or Presidents of CBUs (annual revenue > \$100 m)	2 x base salary
Corporate Vice Presidents (Corporate and General Managers) and other Executives	1 x base salary

A key executive, who is defined as a recipient of a performance-based restricted stock or stock unit award, is expected to attain the minimum level of target ownership within a period of five years from the date of hire or promotion, and is expected to own continuously sufficient shares to meet the guideline once attained.

Each non-employee director is required to own shares of Teledyne common stock equal in market value to three times the amount of the annual retainer. A new director is expected to attain the minimum level of target ownership within a period of five years from the date he or she is first becomes a director of the Company. Once achieved, the guideline amount must be maintained for so long as the non-employee director retains his or her seat on the Board.

In determining the value of common stock the Nominating and Governance Committee uses the average price of Teledyne common stock during the most recent calendar year. Performance-based restricted stock and stock units and vested in-the-money options are included in the definition of common stock.

Our Nominating and Governance Committee reviews compliance with the stock ownership guidelines annually at its January meeting. As of the end of 2015, all of our key executives and non-employee directors owned sufficient shares to comply with the guidelines with the exception of two executives and two non-employee directors, all of whom have additional time to achieve compliance pursuant to the terms of the guidelines. All of our named executives owned sufficient shares as of the end of 2015 to comply with the guidelines. The full text of our stock ownership guidelines is available on our website at www.teledyne.com under "Corporate Information" "Governance" .

Change in Control Severance Agreements

Edgar Filing: TRANS LUX CORP - Form 10-K

Each of our named executives is a party to a change in control severance agreement with us. A description of the terms of the agreements can be found under the heading **Potential Payments Upon Termination or a Change in Control** beginning on page 54 of this Proxy Statement. In entering into these agreements, the Personnel and Compensation Committee desired to assure that we would have the continued dedication of certain executives and the availability of their advice and counsel, notwithstanding the possibility of a change in control, and to induce such executives to remain in our employ. The Personnel and Compensation Committee believes that, should the possibility of a change in control arise, it is imperative that we be able to receive and rely upon our executives' advice, if requested, as to the best interests of our Company and stockholders without the concern that he or she might be distracted by the personal uncertainties and risks created by the possibility of a change in control. The Personnel and Compensation Committee also considered arrangements offered to similarly situated executives of comparable companies.

TELEDYNE TECHNOLOGIES INCORPORATED | 2016 Proxy Statement 39

Table of Contents

Compensation Discussion and Analysis (continued)

We chose the specific amounts and triggers contained in the change in control severance agreements because we believe such terms provide reasonable assurances that our executive officers will remain with us during an acquisition or change of control event, should one occur, and assist in the assessment of a possible acquisition or change in control event and advise management and the Board as to whether such acquisition or change in control event would be in the best interests of our Company and stockholders.

In 2010, the Personnel and Compensation Committee, with assistance from Exequity LLP, undertook a review of its change in control severance agreements and identified areas where Teledyne's agreements may have deviated from current best practices. In December 2010, the Personnel and Compensation Committee authorized management to prepare a revised form of change in control severance agreement so that it conforms to prevailing best practices and asked each of our senior executives that have agreements already in place to voluntarily agree to amend and restate those agreements so that they contain these revised terms. All of the named executives agreed to modify their original agreements and consequently entered into amended and restated agreements effective as of January 31, 2011. For a description of the material terms of the change in control agreements, please see "Potential Payments Upon Termination or a Change in Control - Change in Control Severance Agreements" on page 54 of this Proxy Statement.

As compared to the original agreements, the amended and restated change in control severance agreements:

Eliminate a "gross up payment" to hold the executive harmless against the impact, if any, of federal excise taxes imposed on executive as a result of "excess parachute payments" as defined in Section 280G of the Internal Revenue Code. Instead, the executive will receive the better of, on an after-tax basis, (a) the unreduced excess parachute payment with no tax gross up, or (b) a parachute payment reduced to a level below which an excise tax is imposed.

Change the "single trigger" vesting of stock options upon a change of control to a "double trigger".

Change the formula for calculating the amount of severance: instead of the severance payment being a multiple of base salary plus bonus, with bonus being the higher of target or the most recent bonus payout, the severance payment will be a multiple of base salary plus bonus, with bonus being the higher of target or the prior three-year average bonus.

Reduce the amount of short year bonus: instead of a short year bonus being calculated at maximum (i.e., two times target), short year bonus will be calculated at target.

The amended and restated change in control severance agreements do not contain any new benefits for the executives.

The Personnel and Compensation Committee has reviewed the potential aggregate costs to a potential acquirer associated with the change in control severance agreements. The Personnel and Compensation Committee considers it unlikely that the employment of all employees that have change in control severance agreements would be terminated following a change in control. The Personnel and Compensation Committee did not adjust the compensation of the employees as a result of the employees entering into or agreeing to modify these change of control severance agreements.

Employment Agreements

Agreement with Dr. Mehrabian. In 1999, we entered into an employment agreement with Dr. Mehrabian in order to memorialize compensation-related agreements made by Dr. Mehrabian and Allegheny Technologies Incorporated prior to our spin-off from that company. That agreement was amended and restated on April 25, 2001, to update Dr. Mehrabian's titles and the types and rates of compensation to which

Edgar Filing: TRANS LUX CORP - Form 10-K

he was entitled, on January 24, 2006, primarily to assure compliance with Section 409A of the Internal Revenue Code, on September 1, 2007, to reflect an increase in Dr. Mehrabian's base salary and, per Dr. Mehrabian's request, to reflect that his eligibility to receive country club and city club membership and related tax gross-ups was discontinued, and on January 22, 2009, principally to amend the termination and renewal provisions. On October 22, 2013, the employment agreement was further amended and restated principally to update Dr. Mehrabian's base salary, AIP and restricted stock award targets. Effective September 28, 2015, the employment agreement was amended again to extend the term of the employment agreement through December 31, 2019. The amended and restated employment agreement provides that we shall employ Dr. Mehrabian as our Chairman, President and Chief Executive Officer.

40 **TELEDYNE TECHNOLOGIES INCORPORATED** | 2016 Proxy Statement

Table of Contents**Compensation Discussion and Analysis** (continued)

Under the current agreement, Dr. Mehrabian has an annual base salary of \$955,000. The agreement provides that Dr. Mehrabian is entitled to participate in our annual incentive bonus plan at a target percentage of 120% of base salary, the restricted stock award program at a percentage of base salary equal to 100% and other executive compensation and benefit programs. The agreement provides Dr. Mehrabian with a supplemental non-qualified pension arrangement, which we will pay to Dr. Mehrabian starting six months following his retirement for a period of ten years. Effective July 31, 2007, the number of years of credited service under this supplemental pension equalization plan reached the maximum number of ten years; as a result, no additional years of service will be credited under this plan.

Agreement with Mr. Geveden. On May 16, 2014, Mr. Geveden and Teledyne entered into a letter agreement in connection with Mr. Geveden's appointment as President of Teledyne DALSA and his temporary relocation to Ontario, Canada. Pursuant to the letter agreement, effective May 16, 2014, Mr. Geveden was entitled to participate in the AIP and other executive compensation and benefit programs, was eligible for reimbursement of up to \$200,000 to cover all relocation costs for his move to Canada and was eligible for reimbursement of up to \$200,000 to cover all relocation costs for his move back to the United States to further his employment with Teledyne, in each case net of taxes, and Teledyne will make an additional tax equalization payment to compensate Mr. Geveden for any additional Canadian income tax liability which he may incur as a result of the performance of his duties in Canada.

Mr. Geveden resigned effective October 6, 2015. Following his resignation, Mr. Geveden repaid to the Company \$188,983 of reimbursements and advances made to him in connection with his 2014 relocation to Canada. He also forfeited his 2014-2016 restricted stock award, 2015-2017 restricted stock unit award, his 2015-2017 PSP award, the remaining payments under the 2012-2014 PSP awards and unvested stock options. As a result of his resignation, Mr. Geveden was not entitled to an AIP award for 2015.

Perquisites and Other Benefits

All of our named executives receive car allowances. We provide car allowances in cases where the named executive typically travels for business and also for retention of senior executives. In 2015, Mr. Geveden was entitled to tax equalization payments described above in the section entitled Employment Agreements.

Deferred Compensation

Our named executives are eligible to participate in our executive deferred compensation plan. The deferred compensation plan is a voluntary, non-tax qualified, unfunded deferred compensation plan available to all members of management and certain other highly-compensated employees for the purpose of providing deferred compensation, and thus potential tax benefits, to these employees. A description of the terms of the deferred compensation plan can be found under the heading Nonqualified Deferred Compensation beginning on page 52 of this Proxy Statement. In addition, the Nonqualified Deferred Compensation Table on page 52 of this Proxy Statement sets forth information about the account balances, contributions and withdrawals of each named executive that participates in the deferred compensation plan.

Pension Plans

Our pension plan was initially established at the time of our spin-off as an independent company. Our domestic defined benefit pension plan covers substantially all U.S. employees hired before January 1, 2004. Effective January 1, 2004, in order to limit our future obligations under our pension plan, we eliminated the participation of new employees in the pension plan. Of our named executives, Dr. Mehrabian, Mr. Pichelli, Miss Cibik and Mr. VanWees participate in our pension plan. The annual benefits payable under the pension plan to participating salaried employees retiring at or after age 65 is calculated under a formula which takes into account the participant's compensation and years of service. The Internal Revenue Code limits the amounts payable to participants under a qualified pension plan. We have also adopted a benefit restoration/pension equalization plan, which is designed to restore benefits that would be payable under the pension plan provisions but for the limits imposed by the Internal Revenue Code, to the levels calculated pursuant to the formulas contained in the pension plan provisions or for any monies deferred under our deferred compensation plan. The benefit restoration/pension

Table of Contents



Compensation Discussion and Analysis (continued)

equalization plan was amended to freeze accruals under that plan effective February 28, 2015. The amounts received by the named executives that participate in the pension plans can be found in the Pension Benefits Table beginning on page 50 of this Proxy Statement.

A description of the terms of our pension plan can be found under the heading "Pension Benefits" beginning on page 50 of this Proxy Statement. In addition, the Pension Benefits Table sets forth information about each named executive's years of credited service and the actuarial present value of each named executive's accumulated benefit under our pension plan.

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction for annual compensation paid to a chief executive officer and certain other highly compensated officers in excess of \$1 million unless the compensation qualifies as performance-based or is otherwise exempt under the law. Our stock incentive plans are intended to meet the deductibility requirements of the regulations promulgated under Section 162(m). However, the Personnel and Compensation Committee may determine in any year that it would be in our best interest for awards to be paid under stock incentive plans, or for other compensation to be paid, that would not satisfy the requirements for deductibility under Section 162(m). In making such determination, the Personnel and Compensation Committee would consider the net cost to us and our ability to effectively administer executive compensation in the long-term interests of shareholders.

Clawback Policy

In February 2014, our Board approved a clawback policy that gives the Board the ability to seek reimbursement from executive officers of bonus, incentive and equity based awards under the following circumstances:

the executive's award was predicated upon the achievement of certain financial results that were subsequently the subject of a material financial restatement and a lower payment, award, or vesting would have occurred based upon the restated financial results; or

in the Board's view, the executive officer engaged in fraud or criminal misconduct related to the company or its business. This clawback policy applies to awards paid or vesting after January 1, 2014. The policy further provides that the Board will not seek to recover awards that are paid or that have vested more than three years prior to the date the applicable restatement is disclosed.

In addition, individual performance objectives for executive officers under our Annual Incentive Plan program include compliance with laws and Company policies and procedures. As a result, an executive's bonus may be adversely affected to the extent a financial restatement or similar event involved a violation of law or Company policy.

Policies Relating to the Timing and Pricing of Stock Option Awards and Stock Awards

Stock Options. Stock options may be granted under our 2014 Incentive Award Plan by the Personnel and Compensation Committee, which is the administrator of the plan. The Personnel and Compensation Committee has delegated authority to our Chief Executive Officer to grant a specified number of options to employees under the 2014 Incentive Award Plan. This authority is used to make grants to new hires, upon promotion of certain employees, to retain certain employees, and in connection with acquisitions. Of these shares, 43,500 remained available for grant by our Chief Executive Officer under this delegated authority as of February 15, 2016.

Edgar Filing: TRANS LUX CORP - Form 10-K

Since April 2012, stock options are granted to employees by the Personnel and Compensation Committee in April of each year at its regularly scheduled committee meeting prior to the Annual Meeting of Stockholders. We typically issue our press release containing financial results for the first quarter shortly following this meeting date. In 2015, no stock options were granted. As a result, in 2016 annual stock option grants were made in January. Grants by our Chief Executive Officer under his delegated authority may be made at any time, but primarily have been made to new hires (including new hires resulting from acquisitions) or following the successful completion of special projects. In 2015, no options were granted to employees by our Chief Executive Officer under his delegated authority.

42 **TELEDYNE TECHNOLOGIES INCORPORATED** | *2016 Proxy Statement*

Table of Contents

Compensation Discussion and Analysis (continued)

Pursuant to the terms of the 2014 Incentive Award Plan, the exercise price for new stock option grants must equal the fair market value of our common stock, which for purposes of the Plan is defined as the closing sales price of a share of our common stock on the NYSE on the date of grant. New grants made by our Personnel and Compensation Committee have exercise prices equal to the fair market value of our common stock on the date of the meeting at which the grant was approved by the Personnel and Compensation Committee. Grants made by the Chief Executive Officer have exercise prices equal to the fair market value of our common stock on the date of grant.

Stock Awards. Performance-based restricted stock awards and the stock portion of PSP awards may be granted under our stockholder-approved incentive award plans by the Personnel and Compensation Committee, which is the administrator of the Plan.

Performance-based restricted stock awards are generally granted each year by the Personnel and Compensation Committee at its regularly scheduled meeting in January. For 2015, the number of shares was determined by dividing an amount generally equal in value to a specified percentage of a participating executive's base salary by the average of the high and low stock prices for 20 trading days preceding the date of grant.

Performance cycles under the PSP are generally established once every three years, at one of the Personnel and Compensation Committee's regularly scheduled meetings in the first quarter. Under our incentive award plans, the number of shares for the stock portion of the award is determined by dividing one half of the value of the award by an amount equal to the fair market value of a share of our common stock on the NYSE on the date that the performance cycle is established by the Personnel and Compensation Committee.

Non-employee directors are automatically granted an award of restricted stock units in an amount equal to \$110,000 divided by the fair market value our common stock on the NYSE on the date of the respective annual meeting.

Table of Contents

Personnel and Compensation Committee Report

Personnel and Compensation Committee Report

The following report of the Personnel and Compensation Committee is included in accordance with the rules and regulations of the Securities and Exchange Commission. It is not soliciting material, is not deemed filed with the Securities and Exchange Commission and is not incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Securities and Exchange Act of 1934, as amended.

We have reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on our review and discussion with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in Teledyne Technologies Incorporated's Annual Report on Form 10-K for the year ended January 3, 2016.

Submitted by the Personnel and Compensation Committee of the Board of Directors:

Charles Crocker, Chair

Roxanne S. Austin

Kenneth C. Dahlberg

Robert A. Malone

Jane C. Sherburne

Wesley W. von Schack

February 23, 2016

Compensation Committee Interlocks and Insider Participation

No member of the Personnel and Compensation Committee of our Board of Directors is an officer or employee of the Company. During 2015, no member of the Committee had a current or prior relationship and no officer who was a statutory insider had a relationship to any other company, in each case that must be described under the SEC rules relating to disclosure of executive compensation.

Table of Contents**Summary Compensation Table**

The following Summary Compensation Table sets forth information about the compensation earned by certain of our executive officers during the 2015, 2014 and 2013 fiscal years. It sets forth information about compensation paid to: (1) our Chief Executive Officer, (2) our Chief Financial Officer, (3) the three other most highly compensated executive officers who were required to file reports under Section 16 of the Securities Exchange Act of 1934 for fiscal 2015, and (4) Rex D. Geveden, who would have been among the three most highly compensated officers but for the fact that he resigned on October 6, 2015 (collectively, the named executives).

Name and Principal Position	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(5)	All Other Compensation	Total
Robert Mehrabian Chairman, President and Chief Executive Officer (Principal Executive Officer)	2015	\$ 973,365		\$ 1,634,339		\$1,004,500	\$ 451,742	\$ 12,000(6)	\$ 4,075,946
	2014	\$ 930,000		\$ 892,391	\$ 1,820,000	\$3,337,092	\$1,434,899	\$ 12,000	\$ 8,426,382
	2013	\$ 910,000		\$ 1,014,705	\$ 1,358,500	\$1,338,300	\$ 168,602	\$ 12,000	\$ 4,802,107
Susan L. Main Senior Vice President and Chief Financial Officer (Principal Financial Officer)	2015	\$ 444,098		\$ 463,056		\$ 342,000		\$ 25,365(7)	\$ 1,274,519
	2014	\$ 425,006		\$ 183,528	\$ 436,800	\$1,024,012		\$ 25,290	\$ 2,094,636
	2013	\$ 360,000		\$ 105,063	\$ 326,040	\$ 275,600		\$ 24,577	\$ 1,091,280
Aldo Pichelli Chief Operating Officer	2015	\$ 511,980		\$ 602,454		\$ 383,900	\$ 9,696	\$ 26,902(8)	\$ 1,534,932
	2014	\$ 435,635		\$ 250,834	\$ 728,000	\$1,051,117	\$ 643,580	\$ 24,925	\$ 3,134,091
	2013	\$ 425,000		\$ 248,091	\$ 543,400	\$ 351,800		\$ 22,396	\$ 1,590,687
Rex D. Geveden(9) Former Executive Vice President	2015	\$ 386,030		\$ 820,961(10)				\$277,377(11)	\$ 1,484,368
	2014	\$ 425,338	\$ 93,300	\$ 177,018	\$ 729,050	\$ 914,761		\$292,265(12)	\$ 2,631,732
	2013	\$ 400,005		\$ 116,730	\$ 407,550	\$ 293,700		\$ 19,881	\$ 1,237,866
Melanie S. Cibik	2015	\$ 402,991		\$ 363,974		\$ 248,300	\$ 46,873		\$ 1,076,334
	2014	\$ 385,715		\$ 111,032	\$ 436,800	\$ 839,616	\$ 352,477	\$ 14,196(13)	\$ 2,137,238

Edgar Filing: TRANS LUX CORP - Form 10-K

Senior Vice President,	2013	\$ 360,000	\$ 105,063	\$ 326,040	\$ 264,800	\$ 12,377	\$ 1,068,280
General Counsel and Secretary	2015	\$ 385,586	\$ 300,134		\$ 237,600	\$ 3,835	\$ 941,351
Jason VanWees						\$ 14,196 ⁽¹⁴⁾	
Senior Vice President,							
Strategy and Mergers & Acquisitions							

- (1) Other than Mr. Geveden in 2014, the named executives were not entitled to receive any payments that would be characterized as Bonus payments for the 2015, 2014 and 2013 fiscal years. Amounts listed under the column Non-Equity Incentive Plan Compensation for 2015 include the AIP awards for 2015 performance. See footnote 4 for more information on these awards.
- (2) For 2015, represents (a) the aggregate fair value on the date of grant of the named executive's 2015 restricted stock awards plus (b) the stock award component of the 2015-2017 Performance Share Program (PSP), in each case based on the probable outcome of the performance conditions of those awards on the date of grant, as calculated in accordance with FASB ASC Topic 718. For a discussion of the assumptions considered in the valuation, please see Note 8 (Stockholders' Equity) to the financial statements in our Annual Report on Form 10-K under the heading Performance Share Plan and Restricted Stock Award Program. For 2015, the value of the restricted stock award was \$905,196 for Dr. Mehrabian, \$185,843 for Ms. Main, \$284,329 for Mr. Pichelli, \$253,540 for Mr. Geveden, \$112,396 for Miss Cibik and \$107,574 for Mr. VanWees. The value of the stock component of the 2015-2017 PSP was \$729,143 for Dr. Mehrabian, \$277,213 for Ms. Main, \$318,125 for Mr. Pichelli, \$567,421 for Mr. Geveden, \$251,578 for Miss Cibik and \$192,560 for Mr. VanWees. The maximum value of the restricted stock awards assuming the highest level of performance conditions is achieved, as calculated in accordance with FASB ASC Topic 718, is the same as the probable outcome on the date of grant. The maximum value of the stock component of the 2015-2017 PSP assuming the highest level of performance conditions is achieved, as calculated in accordance with FASB ASC Topic 718, is \$1,230,518 for Dr. Mehrabian, \$467,830 for Ms. Main, \$536,875 for Mr. Pichelli, \$957,592 for Mr. Geveden, \$424,569 for Miss Cibik, and \$324,969 for Mr. VanWees. The 2015-2017 PSP will be paid 50% in cash and 50% in stock for all named executives other than Mr. Geveden, whose award was denominated entirely in shares. As a result of his resignation in October 2015, Mr. Geveden forfeited his PSP award.
- (3) No stock option awards were made in 2015. For 2014 and 2013, represents the aggregate fair value on the date of grant of the named executive's option grant(s) as calculated in accordance with FASB ASC Topic 718.
- (4) For 2015, consists of the Annual Incentive Plan awards for 2015 performance, payment of which was approved by the Personnel and Compensation Committee on January 26, 2016, and paid on February 19, 2016. Pursuant to the proxy disclosure rules of the SEC, cash awards under our performance share program are deemed earned in the last year of the performance cycle, at the time when performance criteria are satisfied, even though they are paid to participants in three annual installments after the end of the performance cycle so long as the participants remain employed by Teledyne or retire. As a result, the amounts listed in this column for 2015 do not include the following cash amounts paid in 2015, representing the first installment payment under the 2012-2014 Performance Share Plan: Dr. Mehrabian, \$595,697; Ms. Main, \$189,704; Mr. Pichelli, \$222,072; Mr. Geveden, \$211,654; Miss Cibik, \$177,472; and Mr. VanWees, \$144,659.
- (5) For 2015, represents the aggregate change in the actuarial present value of the named executive's accumulated benefit under the Teledyne Technologies Incorporated Pension Plan, the Teledyne Technologies Pension Equalization/Benefit Restoration Plan and, in the case of Dr. Mehrabian, the supplemental pension arrangement contained in his employment agreement, for 2015. In computing these amounts, we used the same assumptions as were used to compute the annual accruals for possible future payments under our pension plans for our 2015 financial statements.
- (6) Represents car allowance.

Table of Contents

Summary Compensation Table (continued)

- (7) Represents car allowance, Company contributions pursuant to the Teledyne Technologies Incorporated 401(k) Plan, death benefit under the Teledyne Technologies Incorporated Executive Deferred Compensation Plan and employer matching contributions under the Employee Stock Purchase Plan.
- (8) Represents car allowances, Company contributions pursuant to the Teledyne Technologies Incorporated 401(k) Plan, death benefit under the Teledyne Technologies Incorporated Executive Deferred Compensation Plan and employer matching contributions under the Employee Stock Purchase Plan.
- (9) Mr. Geveden resigned on October 6, 2015.
- (10) Mr. Geveden forfeited his 2016 restricted stock award and his 2015-2017 PSP award upon his resignation.
- (11) Represents \$28,325 in car allowance, Company contributions pursuant to the Teledyne Technologies Incorporated 401(k) Plan, and \$241,545 in estimated tax equalization payments to be made in 2016 related to 2015 income.
- (12) Following his resignation, Mr. Geveden repaid to the Company \$188,983 of reimbursements and advances made to him in connection with his 2014 relocation to Canada.
- (13) Represents car allowance, Company contributions pursuant to the Teledyne Technologies Incorporated 401(k) Plan, and employer matching contributions under the Employee Stock Purchase Plan.
- (14) Represents car allowance, Company contributions pursuant to the Teledyne Technologies Incorporated 401(k) Plan, and employer matching contributions under the Employee Stock Purchase Plan.

Table of Contents**Grants of Plan-Based Awards**

The table below sets forth information on grants of plan-based awards to the named executives in fiscal year 2015. All equity grants were made under our 2014 Incentive Award Plan. No stock option awards were made in 2015.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Target			Estimated Future Payouts Under Equity Incentive Plan Awards			Grant Date Fair Value of Stock and Option Awards ⁽¹⁾
		Threshold (\$)	(\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Robert Mehrabian	2/17/15 ⁽²⁾				3,416	9,761	9,761	\$905,196
	2/17/15 ⁽³⁾	\$ 114,600	\$ 1,146,000	\$ 2,292,000				
	2/17/15 ⁽⁴⁾	\$ 71,625	\$ 716,250	\$ 1,432,500	712	7,122	14,243	\$729,143
Susan L. Main	2/17/15 ⁽²⁾				701	2,004	2,004	\$185,843
	2/17/15 ⁽³⁾	\$ 32,679	\$ 326,789	\$ 653,578				
	2/17/15 ⁽⁴⁾	\$ 27,231	\$ 272,311	\$ 544,622	271	2,708	5,415	\$277,213
Aldo Pichelli	2/17/15 ⁽²⁾				1,073	3,066	3,066	\$284,329
	2/17/15 ⁽³⁾	\$ 44,000	\$ 439,995	\$ 879,990				
	2/17/15 ⁽⁴⁾	\$ 31,250	\$ 312,500	\$ 625,000	311	3,107	6,214	\$318,125
Rex D. Geveden	2/17/15 ⁽²⁾				957	2,734	2,734	\$253,540
	2/17/15 ⁽³⁾	\$ 35,673	\$ 356,728	\$ 713,456				
	2/17/15 ⁽⁴⁾				554	5,542	11,084	\$567,421
Melanie S. Cibik	2/17/15 ⁽²⁾				424	1,212	1,212	\$112,396
	2/17/15 ⁽³⁾	\$ 23,723	\$ 237,232	\$ 474,464				
	2/17/15 ⁽⁴⁾	\$ 24,713	\$ 247,130	\$ 494,260	246	2,458	4,915	\$251,578
Jason VanWees	2/17/15 ⁽²⁾				406	1,160	1,160	\$107,574
	2/17/15 ⁽³⁾	\$ 22,699	\$ 226,986	\$ 453,972				
	2/17/15 ⁽⁴⁾	\$ 18,916	\$ 189,155	\$ 378,310	188	1,881	3,762	\$192,560

(1) Calculated in accordance with FASB ASC Topic 718. For performance-based restricted stock awards and the share component of the 2015-2017 PSP, represents the value at the date of grant based on the probable outcome of the applicable performance conditions. For a discussion of the assumptions considered in the valuation, please see Note 8 (Stockholders' Equity) to the financial statements in our Annual Report on Form 10-K.

(2) Represents the estimated future payouts under the performance-based restricted stock award granted on February 17, 2015. Mr. Geveden forfeited his award upon his resignation on October 6, 2015.

(3) Represents threshold, target and maximum amounts under the Annual Incentive Plan Awards for 2015, established on February 17, 2015. For the actual amounts paid under the 2015 Annual Incentive Plan (which were paid in February 2016), see the amounts listed under the column titled "Non-Equity Incentive Plan Award Compensation" and the related footnote in the Summary Compensation Table beginning on page 45. As a result of his resignation, Mr. Geveden

was not entitled to an AIP bonus award for 2015.

- (4) Represents the estimated future payouts under the performance share program for the 2015-2017 performance cycle, which performance cycle began on January 1, 2015. The amount of the award is based on the base salary at the beginning of the award period. One-half of the award is payable in common stock, with the number of shares based on the average of the high and low sale prices of a share of common stock on the New York Stock Exchange on the date the award was approved (February 17, 2015), which was \$100.58. One-half of the award is payable in cash, except for the award payable to Mr. Geveden, which was denominated entirely in shares. Each payment, if any, will be subject to payment of applicable taxes. The estimated cash payouts under the award are disclosed under the column headed "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" and the estimated stock payouts under the award are disclosed under the column headed "Estimated Future Payouts Under Equity Incentive Plan Awards." The grant date fair value of the stock portion of the award is disclosed under the column headed "Grant Date Fair Value of Stock and Option Awards." Mr. Geveden forfeited his award upon his resignation on October 6, 2015.

The material terms of our Annual Incentive Plan, stock option awards, performance-based restricted stock award program and our employment agreement with Dr. Mehrabian are described in Compensation Discussion and Analysis.

Table of Contents

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the outstanding equity awards held by the named executives as of January 3, 2016, the last day of our 2015 fiscal year. Mr. Geveden was not an employed by Teledyne at fiscal year end.

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ⁽²⁾
	Number of Securities Underlying Unexercisable Options (#)	Number of Securities Underlying Unexercisable Options ⁽¹⁾ (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options Price (\$)	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 (\$)	Units or Other Rights That Have Not Vested (#)	Other Rights That Have Not Vested ⁽²⁾ (\$)
Robert Mehrabian	35,000			\$39.47	1/23/17			8,241 ⁽³⁾	\$730,977
	23,300			\$50.79	1/22/18			5,854 ⁽⁴⁾	\$519,250
	35,000			\$42.09	1/19/20			10,143 ⁽⁵⁾	\$899,684
	35,000			\$46.86	1/25/21			9,761 ⁽⁶⁾	\$865,801
	35,000			\$64.73	4/25/22			7,122 ⁽⁷⁾	\$631,721
	33,334	16,666		\$75.13	4/24/23				
	16,667	33,333		\$94.24	4/23/24				
Susan L. Main	6,660			\$50.79	1/22/18			1,630 ⁽³⁾	\$144,581
	7,000			\$42.09	1/19/20			2,086 ⁽⁵⁾	\$185,028
	7,000			\$46.86	1/25/21			2,004 ⁽⁶⁾	\$177,755
	7,000			\$64.73	4/25/22			2,708 ⁽⁷⁾	\$240,200
	8,000	4,000		\$75.13	4/24/23				
	4,000	8,000		\$94.24	4/23/24				
Aldo Pichelli	3,653			\$32.35	1/24/16			3,849 ⁽³⁾	\$341,406
	10,000			\$39.47	1/23/17			2,851 ⁽⁵⁾	\$252,884
	6,660			\$50.79	1/22/18			3,066 ⁽⁶⁾	\$271,954
	12,000			\$42.09	1/19/20			3,341 ⁽⁷⁾	\$275,591
	15,000			\$46.86	1/25/21				
	15,000			\$64.73	4/25/22				
	13,334	6,667		\$75.13	4/24/23				
Melanie S. Cibik	6,667	13,333		\$94.24	4/23/24				
	7,000			\$64.73	4/25/22			1,630 ⁽³⁾	\$144,581
	8,000	4,000		\$75.13	4/24/23			1,262 ⁽⁵⁾	\$111,939
	4,000	8,000		\$94.24	4/23/24			1,212 ⁽⁶⁾	\$107,504

Edgar Filing: TRANS LUX CORP - Form 10-K

					2,458 ⁽⁷⁾	\$218,025
Jason VanWees	6,000		\$39.47	1/23/17	1,449 ⁽³⁾	\$128,526
	3,996		\$50.79	1/22/18	1,207 ⁽⁵⁾	\$107,061
	6,000		\$42.09	1/19/20	1,160 ⁽⁶⁾	\$102,892
	8,000		\$46.86	1/25/21	1,881 ⁽⁷⁾	\$166,845
	8,000		\$64.73	4/25/22		
	8,000	4,000	\$75.13	4/24/23		
	4,000	8,000	\$94.24	4/23/24		

- (1) Stock options within each annual grant vest incrementally at a rate of one-third per year, with full vesting at the end of three years. Option awards where all or a portion of the award remain unvested were granted on April 24, 2013 and April 23, 2014.
- (2) Based on a closing share price of \$88.70 on December 31, 2015, the last trading day before our fiscal year end.
- (3) Represents the maximum number of shares that the named executive could retain under the restricted stock award granted on January 22, 2013, if our three-year aggregate return to stockholders (as measured by its stock price) equals 100% or more of the Russell 2000 Index for the three-year performance period. 100% of this award fully vested on January 26, 2016.
- (4) Represents the maximum number of shares that the named executive could retain under the restricted stock award granted on October 22, 2013, if our three-year aggregate return to stockholders (as measured by its stock price) equals 100% or more of the Russell 2000 Index for the performance period beginning on the date of grant and ending December 31, 2015. 97.4% of this award (representing 5,702 shares) fully vested on January 26, 2016.
- (5) Represents the maximum number of shares that the named executive could retain under the restricted stock award granted on January 21, 2014, if our three-year aggregate return to stockholders (as measured by its stock price) equals 100% or more of the Russell 2000 Index for the three-year performance period.
- (6) Represents the maximum number of shares that the named executive could retain under the restricted stock award granted on February 17, 2015, if our three-year aggregate return to stockholders (as measured by its stock price) equals 100% or more of the Russell 2000 Index for the three-year performance period.
- (7) Represents the potential payment of common stock under the 2015-2017 performance cycle of the Performance Share Program if the target performance level is achieved during the award period. Awards are paid to executives in three annual installments after the end of the performance cycle so long as they remain employed by Teledyne (with exceptions for retirement, disability and death).

Table of Contents**Option Exercises and Stock Vested**

The following table sets forth information about stock options exercised by the named executives in fiscal year 2015 and stock awards that vested or were paid in fiscal year 2015 to the named executives.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ⁽¹⁾ (\$)	Number of Shares Acquired on Vesting ⁽²⁾ (#)	Value Realized on Vesting ⁽³⁾ (\$)
Robert Mehrabian	35,000	\$2,041,918	4,741	\$470,165
Susan L. Main	10,000	\$ 655,300	1,537	\$152,424
Aldo Pichelli	6,347	\$ 461,110	2,120	\$210,240
Rex D. Geveden	40,660	\$1,197,591	1,933	\$191,696
Melanie S. Cibik			1,534	\$152,127
Jason Vanwees			1,489	\$147,664

(1) The value realized upon exercise of options reflects the price at which shares acquired upon exercise of the options were sold or valued for income tax purposes, net of the exercise price for acquiring the shares.

(2) Represents restricted stock granted on January 24, 2012 that vested on January 24, 2015, with restrictions on 100% of the original award lapsing.

(3) Based on a closing share price of \$99.17 on January 23, 2015.

Table of Contents

Pension Benefits

The following table describes pension benefits provided to the named executives as of the end of our 2015 fiscal year. Since Mr. Geveden and Ms. Main were hired after January 1, 2004, they do not participate in any defined benefit pension plan sponsored by us and are not included as named executives for purposes of this Pension Benefits discussion. For a discussion of the assumptions made in the valuation, please see Note 12 (Pension Plans and Postretirement Benefits) to the financial statements in our Annual Report on Form 10-K.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Robert Mehrabian	Teledyne Pension Plan	16.17	\$ 637,028	
	Pension Equalization/ Benefit Restoration Plan	15.33	\$5,879,879	
	Supplemental Pension (Employment Agreement)	10.00	\$3,720,270	
Aldo Pichelli	Teledyne Pension Plan	30.00	\$1,243,364	
	Benefit Restoration/ Pension Equalization Plan	30.00	\$2,479,677	
Melanie S. Cibik	Teledyne Pension Plan	17.75	\$ 548,422	
	Benefit Restoration/ Pension Equalization Plan	16.92	\$ 659,178	
Jason VanWees	Teledyne Pension Plan	16.42	\$ 275,016	
	Benefit Restoration/ Pension Equalization Plan	15.58	\$ 261,031	

Teledyne Technologies Incorporated Pension Plan

In connection with the spin-off of Teledyne as an independent company, we adopted the Teledyne Technologies Incorporated Pension Plan which covers substantially all U.S. employees hired prior to January 1, 2004. Effective January 1, 2004, new employee hires do not participate in the Pension Plan. As of the date of this proxy statement, approximately 18% of our active employees participate in the Pension Plan. The annual benefits payable under the Pension Plan to participating salaried employees retiring at or after age 65 is calculated under a formula which takes into account the participant's compensation and years of service. The Internal Revenue Code limits the amounts payable to participants under a qualified pension plan.

The normal retirement age under the Pension Plan is generally age 65. Participants that have satisfied the Pension Plan's eligibility requirements and terminate employment on or after their normal retirement date will be eligible to receive a lifetime monthly income following termination of employment. Generally, the basic retirement benefit is equal to one percent of a participant's average monthly compensation up to monthly Social Security covered compensation, plus 1.65% of average monthly salary in excess of monthly Social Security covered compensation. This amount is then multiplied by the years of credited service completed by the participant, up to 30 years. In general, a participant that has achieved the age of 55 and has completed five years of service or has a vested accrued benefit is eligible for early retirement benefits under the Pension Plan. Early retirement benefits are reduced by an amount equal to 3 percent for each year that a participant's early retirement date precedes his or her normal retirement date. Participants in the Pension Plan have the choice of different annuity types. Participants are prohibited from changing the annuity type elected once monthly benefit payments begin. In 2011, we approved a plan amendment to change the rate at which pension benefits will accrue on after March 1, 2012, in order to reduce our pension benefit obligations. The pension benefit formula was changed from a final average pay calculation to a career average pay approach.

Table of Contents

Pension Benefits (continued)

Dr. Mehrabian, Mr. Pichelli, and Miss Cibik are currently eligible for either normal retirement or early retirement. For named executives, a year of credited service is any year in which the named executive has performed 1,000 or more service hours. None of the named executives have been granted extra years of credited service and it is our policy not to grant participants, including named executives, with extra years of credited service.

Pension Equalization/Benefit Restoration Plan

We have also adopted a Pension Equalization/Benefit Restoration Plan, which is designed to restore benefits which would be payable under the pension plan provisions but for the limits imposed by the Internal Revenue Code, to the levels calculated pursuant to the formulas contained in the pension plan provisions or for any monies deferred under the Teledyne Technologies Incorporated Executive Deferred Compensation Plan. The Pension Equalization/Benefit Restoration Plan provides that Teledyne will pay to the participant, without requirement for participant contribution upon his retirement, a retirement benefit equal to the difference between the maximum life annuity to which the participant would be entitled under the qualified Pension Plan upon his or her retirement, ignoring any limitations imposed by the Internal Revenue Code and including any compensation deferred under the Executive Deferred Compensation Plan, and the life annuity which is actually paid to the participant under the qualified Pension Plan after giving effect to the limitations imposed by the Internal Revenue Code and excluding any compensation deferred under the Executive Deferred Compensation Plan. On December 31, 2014, the Pension Equalization/Benefit Restoration Plan was amended to freeze accruals under the plan effective February 28, 2015.

Employment Agreement with Dr. Mehrabian

The agreement with Dr. Mehrabian provides him with a non-qualified supplemental pension arrangement under which we will pay monthly to Dr. Mehrabian starting six months following his retirement and for a period of ten years, as payments supplemental to any accrued pension under our qualified Pension Plan and our Pension Equalization Plan, an amount equal to 50 percent of his base compensation as in effect at retirement. Effective July 31, 2007, the number of years of credited service under this supplemental pension equalization plan reached the maximum number of ten years; as a result, no additional years of service will be credited under this plan.

Table of Contents

Nonqualified Deferred Compensation

The following table sets forth information about the participation of named executives in the Executive Deferred Compensation Plan in 2015. Dr. Mehrabian, Miss Cibik and Mr. VanWees do not participate in the Executive Deferred Compensation Plan.

Name	Executive Contributions in 2015 (\$)	Registrant Contributions in 2015 (\$)	Aggregate Earnings (Losses) in 2015 (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at 12/31/15 (\$) ⁽²⁾
Susan L. Main	\$82,652 ⁽¹⁾		(\$15,338)		\$ 739,966
Aldo Pichelli			\$16,160		\$ 1,381,884
Rex D. Geveden			(\$ 533)		\$ 25,899

(1) The entire amount of this contribution is reported as compensation in the Summary Compensation Table above.

(2) The amounts in this column were reported as compensation to the named executive in the Summary Compensation Table for 2015 or in prior years, except for the amounts that represent earnings or losses under Executive Deferred Compensation Plan.

The Teledyne Executive Deferred Compensation plan is a voluntary, non-tax qualified, unfunded deferred compensation plan available to all employees earning \$100,000 or more per year for the purpose of providing deferred compensation, and thus potential tax benefits, to these employees.

A participant in the Deferred Compensation Plan may elect to defer up to 100% of his or her salary and up to 100% of his or her bonus for a calendar year. As participants defer funds into the Deferred Compensation Plan, premiums in the amount of the deferrals are deposited in life insurance contracts. Participants make deemed investment choices in funds underlying life insurance contracts. Upon retirement or termination, a participant receives his or her account balance. A participant can also receive his or her benefits prior to retirement or termination by pre-selecting a distribution date that is no less than three calendar years after the end of the year for which the election is made. A participant may elect to receive an amount equal to 90% of his or her account balance prior to his or her payment eligibility date. A participant may change daily his or her investment designations. Deferral elections with respect to annual salaries are irrevocable, except that a participant may elect to increase, decrease or terminate his or her salary deferral earned during a calendar year by filing a new election on or before December 31 of the preceding calendar year. Deferral elections with respect to bonuses are irrevocable and must be made each calendar year.

Table of Contents**Director Compensation**

Directors who are our employees do not receive any compensation for their services on our Board or its committees. In 2015, Directors who are not our employees were paid an annual retainer of \$110,000 made in cash in two equal installments in January and July. In addition, following each Annual Meeting of Stockholders beginning with the 2015 Annual Meeting, non-employee directors each receive restricted stock units valued at \$110,000 (or valued at \$55,000 for a person who becomes a director for the first time after the date of the Annual Meeting). The restricted stock units generally vest one year following the date of grant and are settled in shares of common stock on the date of vesting unless a director has elected to defer settlement of the award until his or her separation from Board service. The chair of the Audit Committee is paid an annual fee of \$15,000, each chair of the Personnel and Compensation Committee and Nominating and Governance Committee is paid an annual fee of \$10,000 and our lead director is paid an annual fee of \$15,000. Our Nominating and Governance Committee reviews director compensation on an annual basis, which review includes benchmarking data provided by the Committee's independent compensation consultant.

The following table sets forth a summary of the compensation we paid to our non-employee directors in 2015. Mr. Malone joined our Board on July 1, 2015.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Roxanne S. Austin	\$ 110,000	\$ 110,000					\$ 220,000
Frank V. Cahouet	\$ 117,500	\$ 110,000					\$ 227,500
Charles Crocker	\$ 135,000	\$ 110,000					\$ 245,000
Kenneth C. Dahlberg	\$ 110,000	\$ 110,000					\$ 220,000
Simon M. Lorne	\$ 117,500	\$ 110,000					\$ 227,500
Robert A. Malone	\$ 55,000	\$ 55,000					\$ 110,000
Paul D. Miller	\$ 110,000	\$ 110,000					\$ 220,000
Jane C. Sherburne	\$ 110,000	\$ 110,000					\$ 220,000
Michael T. Smith	\$ 120,000	\$ 110,000					\$ 230,000
Wesley W. von Schack	\$ 110,000	\$ 110,000					\$ 220,000

(1) Each director received 1,002 restricted stock unit awards valued at \$110,000 on April 22, 2015, except for Mr. Malone, who received 516 restricted stock units valued at \$55,000 on July 1, 2015.

The following table sets forth the aggregate number of option awards (vested and unvested), restricted stock unit (RSU) awards and phantom stock awards held by our directors as of January 3, 2016.

Name	Option Awards	RSU Awards	Phantom Stock Awards
------	---------------	------------	----------------------

Edgar Filing: TRANS LUX CORP - Form 10-K

Roxanne S. Austin	24,000	1,002	
Frank V. Cahouet	14,952	1,002	12,101
Charles Crocker	32,000	1,002	451
Kenneth C. Dahlberg	41,912	1,002	
Simon M. Lorne	70,378	1,002	1,049
Robert A. Malone		516	
Paul D. Miller	38,588	1,002	3,606
Jane C. Sherburne	2,000	1,002	
Michael T. Smith	46,187	1,002	781
Wesley W. von Schack	28,000	1,002	

Table of Contents

Potential Payments Upon Termination or a Change in Control

Change in Control Severance Agreements

Each of the named executives (other than Mr. Geveden, who resigned in October 2015), as well as six other executives, is a party to a Change in Control Severance Agreement with the Company. The Agreements have a three-year, automatically renewing term. The executive is entitled to severance benefits if (1) there is a change in control of the Company and (2) within three months before or 24 months after the change in control, either we terminate the executive's employment for reasons other than cause or the executive terminates the employment for good reason.

Severance benefits for the named executives currently consist of:

A cash payment equal to three times (in the case of Dr. Mehrabian) or two times (in the case of the other named executives) the sum of (i) the executive's highest annual base salary within the year preceding the change in control and (ii) the Annual Incentive Plan bonus target for the year in which the change in control occurs or the average actual bonus payout for the three years immediately preceding the change in control, whichever is higher.

A cash payment for the current Annual Incentive Plan bonus cycle based on the fraction of the year worked times the Annual Incentive Plan target objectives at 100% (with payment of the prior year bonus if not yet paid).

Payment in cash for unpaid PSP awards, assuming applicable goals are met at 120% of performance targets.

Continued equivalent health and welfare (e.g., medical, dental, vision, life insurance and disability) benefits at our expense for a period of up to 36 months (24 months in some agreements) after termination (with the executive bearing any portion of the cost the executive bore prior to the change in control); provided, however, such benefits would be discontinued to the extent the executive receives similar benefits from a subsequent employer.

Removal of restrictions on performance-based restricted stock issued under our restricted stock award programs.

Full vesting under the Company's pension plans (within legal parameters) such that the executive shall be entitled to receive the full accrued benefit under all such plans in effect as of the date of the change in control, without any actuarial reduction for early payment.

Up to \$25,000 (\$15,000 in some agreements) reimbursement for actual professional outplacement services.

Immediate vesting of all stock options, with options being exercisable for the full remainder of the term.

In the event amounts under the agreements constitute an excess parachute payment as defined in Section 280G of the Internal Revenue Code, the executive will receive the better of, on an after-tax basis, (a) the unreduced excess parachute payment with no tax gross up payment, or (b) a parachute payment reduced to a level below which an excise tax is imposed.

For the purposes of the Change in Control Severance Agreement, a change in control will generally be deemed to occur if (1) the Company acquires actual knowledge that any person or group of persons acting together has acquired the beneficial ownership of securities of the Company entitling such person to 20% or more of the voting power of the Company, (2) a tender offer to acquire 20% or more of the voting power of the Company is completed, (3) a successful third party proxy solicitation is made relating to the election or removal of 50% or more of the members of the Board or any class of the Board, or (4) a merger, consolidation, share exchange, division or sale or other disposition of assets of the Company occurs as a result of which the stockholders of the Company immediately prior to such transaction do not hold, immediately following such transaction, a majority of the voting power of the surviving, acquiring or resulting corporation.

The paragraphs below explain the impact on our executive compensation programs for named executives of various change in control and termination scenarios other than a termination that would trigger the benefits under the Change in Control Severance Agreements.

Annual Incentive Plan

The following is a summary of the terms of awards under our Annual Incentive Plan related to the treatment of awards upon termination of employment:

If a participant's employment is terminated before the end of a plan year for reason of death, disability, or normal or early retirement, the award will be calculated at the end of the plan year, based on their actual salary earned during the plan year, provided they were with the Company for

at least six months during the plan year.

Table of Contents**Potential Payments Upon Termination or a Change in Control** (continued)

If a participant's employment is terminated during the plan year for any other reason, no award will be paid for the plan year.

Stock Options

The following table summarizes the terms of awards under our incentive plans related to the treatment of stock options upon termination of employment or upon a change in control:

Change in Control or Termination Event	Treatment of	Time to Exercise
	Unvested Awards	Vested Awards
Change in Control	Awards Fully Vest*	Remainder of Term
Death	Awards Fully Vest	12 Months
Disability	Continued Vesting	Remainder of Term
Retirement (options granted prior to 2006)	Continued Vesting	Remainder of Term
Retirement (options granted after January 1, 2006)	Forfeiture	Remainder of Term
Other	Forfeiture	30 Days

* Unless options are assumed or replaced by the successor company.

Performance Share Program

In the event of a change in control not followed by termination, or a participant terminates employment because of retirement, his or her performance share plan participation will be pro-rated based on the number of full months of employment during the cycle, divided by 36. Awards for retired participants are paid at the same time as awards are paid to active participants. On a change in control not followed by termination, awards are paid thirty days following the change in control event. If a participant terminates employment for any other reason, the current cycle's incentive and any prior cycle's incentive will be forfeited unless deemed otherwise by the Personnel and Compensation Committee.

Restricted Stock Award Program

During the restricted period, performance-based restricted stock will be forfeited upon a participant's termination of employment. However, if the participant dies, becomes disabled or retires prior to the expiration of the applicable performance cycle, the amount of the participant's restricted stock that is not subject to forfeiture at the end of the performance cycle will be pro-rated for the portion of the performance cycle completed by the participant prior to his death, disability or retirement and that amount will become vested at the end of the performance cycle. In the event of a change in control, all restrictions applicable to the restricted stock award will terminate fully.

Potential Termination Payments

The following table sets forth the potential payments upon a change in control and termination following a change of control, retirement, resignation or termination of the named executives as of January 3, 2016, the last business day of our 2015 fiscal year, assuming the change in control or termination event had taken place on January 3, 2016. The amounts shown include amounts earned through January 3, 2016, other than pension benefits, and are estimates of the amounts which would be paid out to the executives upon their termination following a termination event. The actual amounts to be paid out can only be determined at the time of such executive's separation from the Company, and such amounts

Edgar Filing: TRANS LUX CORP - Form 10-K

may be subject to re-negotiation at the time of actual termination. Estimated monthly pension benefits for named executives upon retirement or termination following a change in control are described at the end of this section. Any amounts paid following termination or a change in control may be delayed for up to six months to comply with provisions of Section 409A of the Internal Revenue Code.

Table of Contents**Potential Payments Upon Termination or a Change in Control** (continued)**Robert Mehrabian**

Type of Benefit	Change in Control (followed by termination)	Change in Control (no termination)	Retirement or Voluntary Termination ⁽¹⁾
Cash Severance	\$ 7,011,300		
Prorata Bonus Payment	\$ 1,146,000		\$1,004,500
Value of Unvested Stock Options	\$ 226,167 ⁽²⁾	⁽³⁾	
Value of Unvested Restricted Stock	\$ 3,002,211 ⁽⁴⁾	\$3,002,211 ⁽⁴⁾	\$2,117,397 ⁽⁵⁾
Value of Unpaid Performance Share Program Amounts	\$ 4,056,395 ⁽⁶⁾	\$2,264,592 ⁽⁷⁾	\$2,222,240 ⁽⁸⁾
Welfare Benefit Values	\$ 30,453		
Outplacement	\$ 25,000		
Reduction to Avoid Excise Tax	(\$ 3,137,122)		
Payments	\$12,360,404	\$5,266,803	\$5,344,138

Susan L. Main

Type of Benefit	Change in Control (followed by termination)	Change in Control (no termination)	Retirement or Voluntary Termination ⁽¹⁾
Cash Severance	\$1,553,903		
Prorata Bonus Payment	\$ 326,789		\$ 342,000
Value of Unvested Stock Options	\$ 54,280 ⁽²⁾	⁽³⁾	
Value of Unvested Restricted Stock	\$ 507,364 ⁽⁴⁾	\$ 507,364 ⁽⁴⁾	\$ 325,600 ⁽⁵⁾
Value of Unpaid Performance Share Program Amounts	\$1,468,654 ⁽⁶⁾	\$ 750,653 ⁽⁷⁾	\$ 735,286 ⁽⁸⁾
Welfare Benefit Values	\$ 20,784		
Outplacement	\$ 15,000		
Reduction to Avoid Excise Tax			
Payments	\$3,946,774	\$1,258,017	\$1,402,886

Aldo Pichelli

Type of Benefit	Change in Control (followed by termination)	Change in Control (no termination)	Retirement or Voluntary Termination ⁽¹⁾
Cash Severance	\$1,980,000		
Prorata Bonus Payment	\$ 440,000		\$ 383,900
Value of Unvested Stock Options	\$ 90,467 ⁽²⁾	⁽³⁾	
Value of Unvested Restricted Stock	\$ 866,244 ⁽⁴⁾	\$ 866,244 ⁽⁴⁾	\$ 598,256 ⁽⁵⁾
Value of Unpaid Performance Share Program Amounts	\$1,787,893 ⁽⁶⁾	\$ 890,175 ⁽⁷⁾	\$ 871,457 ⁽⁸⁾
Welfare Benefit Values	\$ 21,092		

Edgar Filing: TRANS LUX CORP - Form 10-K

Outplacement	\$ 15,000		
Reduction to Avoid Excise Tax	(\$1,317,722)		
Payments	\$3,882,974	\$1,756,419	\$1,853,614

Table of Contents**Potential Payments Upon Termination or a Change in Control** (continued)**Melanie S. Cibik**

Type of Benefit	Change in Control (followed by termination)	Change in Control (no termination)	Retirement or
			Voluntary Termination ⁽¹⁾
Cash Severance	\$1,367,574		
Prorata Bonus Payment	\$ 237,232		\$ 248,300
Value of Unvested Stock Options	\$ 54,280 ⁽²⁾	(3)	
Value of Unvested Restricted Stock	\$ 364,025 ⁽⁴⁾	\$ 364,025 ⁽⁴⁾	\$ 254,083 ⁽⁵⁾
Value of Unpaid Performance Share Program Amounts	\$1,343,462 ⁽⁶⁾	\$ 697,169 ⁽⁷⁾	\$ 683,117 ⁽⁸⁾
Welfare Benefit Values	\$ 31,020		
Outplacement	\$ 25,000		
Reduction to Avoid Excise Tax	(\$1,022,463)		
Payments	\$2,400,130	\$1,061,194	\$1,185,501

Jason VanWees

Type of Benefit	Change in Control (followed by termination)	Change in Control (no termination)	Retirement or
			Voluntary Termination ⁽¹⁾
Cash Severance	\$1,306,087		
Prorata Bonus Payment	\$ 226,986		
Value of Unvested Stock Options	\$ 54,280 ⁽²⁾	(3)	
Value of Unvested Restricted Stock	\$ 338,479 ⁽⁴⁾	\$338,479 ⁽⁴⁾	
Value of Unpaid Performance Share Program Amounts	\$1,045,936 ⁽⁶⁾	\$560,079 ⁽⁷⁾	
Welfare Benefit Values	\$ 18,398		
Outplacement	\$ 25,000		
Reduction to Avoid Excise Tax			
Payments	\$3,015,160	\$898,558	

(1) The payouts under retirement and voluntary termination scenarios are the same for Dr. Mehrabian, Ms. Main, Mr. Pichelli and Miss Cibik because they are retirement eligible on January 3, 2016. Mr. VanWees is not eligible for early retirement until he turns 55.

(2) Represents the number of all unvested stock options as of January 3, 2016, multiplied by \$88.70 the closing price of our common stock on December 31, 2015, less the aggregate exercise price of the unvested stock options.

Edgar Filing: TRANS LUX CORP - Form 10-K

- (3) Assumes that unvested stock options are assumed or replaced by acquirer or otherwise remain outstanding.
- (4) Represents the number of shares of restricted stock granted in 2013, 2014 and 2015 multiplied by \$88.70, the closing price of our common stock on December 31, 2015.
- (5) Represents the present value of unvested restricted stock granted in 2013, 2014 and 2015 pro-rated for the portion of the performance period completed by the named executive prior to retirement or termination. Assumes goals are met at 100% of performance targets. Actual payment of the stock award is not made until after the completion of the performance period. Shares are valued at \$88.70, the closing price of our common stock on December 31, 2015.
- (6) Represents the sum of (1) the remaining two cash installments payable under the 2012-2014 PSP award, assuming goals are met at actual performance (i.e., 134.6% of performance targets) and (2) cash and shares payable under our 2015-2017 PSP award, assuming applicable goals are met at the maximum (200%) performance targets (with shares valued at \$88.70 per share, the closing price of our common stock on December 31, 2015).
- (7) Represents the sum of (1) the remaining two cash installments payable under the 2012-2014 PSP award, assuming goals are met at actual performance (i.e., 134.6% of performance targets) and (2) cash and shares payable under our 2015-2017 PSP award, prorated for the portion of the performance cycle completed prior to the change in control, assuming applicable goals are met at 100% performance targets (with shares valued at \$88.70 per share, the closing price of our common stock on December 31, 2015).
- (8) Represents the sum of (1) present value of cash payable under the 2012-2014 PSP award, assuming goals are met at actual performance (i.e., 134.6% of performance targets) and (2) the present value of cash and shares payable under our 2015-2017 PSP award, prorated for the portion of the performance cycle completed prior to the change in control, assuming applicable goals are met at 100% performance targets (with shares valued at \$88.70 per share, the closing price of our common stock on December 31, 2015). Actual payment of the PSP amounts is made at the same time payment is made to active participants.

Table of Contents**Potential Payments Upon Termination or a Change in Control** (continued)

The following table sets forth each named executive's monthly pension benefit under the Teledyne Pension Plan and the Teledyne Benefit Restoration/Pension Equalization Plan assuming a change of control had taken place at the end of 2015 and assuming each named executive had elected payment in the form of a single life annuity. The table shows the monthly payment the named executive would receive without a change in control and the additional amounts, if any, that result from a change in control. Since they were hired after January 1, 2004, Mr. Geveden and Ms. Main do not participate in Teledyne's pension plan.

	Teledyne Pension Plan		Benefit Restoration/Pension Equalization Plan		Total Monthly Payment following a Change in Control as of
	Benefit as of 12/31/15	Additional Amounts Resulting from Change in Control	Benefit as of 12/31/15	Additional Amounts Resulting from Change in Control	12/31/15
Robert Mehrabian ⁽¹⁾	\$5,743		\$53,011		\$58,754
Aldo Pichelli	\$8,526	\$ 286	\$17,003	\$ 571	\$26,386
Melanie Cibik	\$3,871	\$1,413	\$ 4,652	\$1,699	\$11,635
Jason VanWees		\$4,894		\$4,645	\$ 9,539

⁽¹⁾ In addition, the annual pension benefit payable to Dr. Mehrabian under the supplemental pension arrangement contained in his employment agreement following termination from employment at December 31, 2015 (for reason other than for cause) would be \$38,946 for 10 years, payable monthly.

Table of Contents

Certain Transactions

Indemnification Agreements

The Company has entered into individual Indemnification Agreements with our directors and certain officers and executives of Teledyne, including all the named executives. The Indemnification Agreements provide the directors and executives who are parties to the agreements with a stand-alone contractual right to indemnification and expense advancement to the greatest extent allowable under Delaware law. The agreements continue until the later of (i) 10 years after the indemnitee ceases to serve as a director or officer, and (ii) one year following the final termination of any proceeding subject to the agreement.

Certain Relationships

The Bank of New York Mellon Corporation. Dr. von Schack is a director of The Bank of New York Mellon Corporation. Dr. Mehrabian was also a director of The Bank of New York Mellon Corporation until his retirement on April 12, 2011. From May 2010 to July 2014, Ms. Sherburne served as Senior Executive Vice President, General Counsel and Corporate Secretary of The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is the successor to Mellon Financial Corporation following its merger with The Bank of New York in 2007. Mr. Cahouet had served as Chairman, President and Chief Executive Officer of Mellon Financial Corporation and Mellon Bank, N.A., having retired on December 31, 1998. Mr. Cahouet ceased being a director of Mellon Financial Corporation on April 18, 2000. We maintain various arms-length banking relationships with The Bank of New York Mellon Corporation. On March 1, 2013, we entered into a \$750.0 million credit facility, as amended on December 4, 2015, under which The Bank of New York Mellon Corporation is one of 13 lenders, having committed to lend up to \$60.0 million. The Bank of New York Mellon Corporation also provides cash management services, serves as trustee for the Teledyne Technologies Incorporated Pension Plan and, through its subsidiaries and affiliates, provides asset management and transition management services for the Pension Plan. Notwithstanding these relationships, our Board of Directors has determined that Ms. Sherburne, Mr. Cahouet and Dr. von Schack are independent, within the meaning of the rules of the New York Stock Exchange, and are able to serve on the Audit Committee and the Nominating and Governance Committee of Teledyne's Board of Directors, in the case of Mr. Cahouet, on the Personnel and Compensation Committee and the Nominating and Governance Committee of Teledyne's Board of Directors, in the case of Dr. von Schack, and on the Personnel and Compensation Committee and Audit Committee, in the case of Ms. Sherburne.


The foregoing relationships should not be deemed to include transactions requiring disclosure under Item 404 of Regulation S-K under the Securities Exchange Act of 1934.

Policies and Procedures for Reviewing Related Party Transactions

Our Board has adopted a Related Party Transaction Policy that applies to executive officers, directors, family members of executive officers and directors, stockholders owning in excess of five percent of the Company's stock, and affiliates of the foregoing. Under this policy, any related party transaction requires the approval or ratification of the Nominating and Governance Committee. Related party transactions in which the aggregate amount involved is expected to be less than \$3 million in any fiscal year can also be approved by Chair of the Nominating and Governance Committee and transactions in which the aggregate amount involved is expected to be less than \$1 million in any fiscal year can be approved by the Senior Vice President, General Counsel and Secretary of the Company. The Policy defines a related party transaction as a transaction between the Company and any related party in which (1) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year, (2) the Company or a subsidiary of the Company is a party or participant and (3) a related party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity).

In determining whether to approve or ratify a related party transaction, the Nominating and Governance Committee may take into account, among other factors it deems appropriate, whether the related party transaction involves products or services of a nature, quantity or quality that are not readily available from alternative sources, whether

Table of Contents



Certain Transactions (continued)

the related party transaction is on an arm's length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally, and the extent of the related party's interest in the transaction. The Nominating and Governance Committee has determined that certain types of transactions, to the extent they constitute related party transactions, shall be deemed to be pre-approved or ratified. These transactions include executive and director compensation, a transaction with another company at which a related party's only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10 percent of that company's stock, and any transaction with another company at which a related party is an executive officer or a beneficial owner of 10 percent or more of that company's stock if the aggregate amount involved in any fiscal year does not exceed the greater of \$1,000,000 or 2 percent of that company's total annual revenues, and any charitable contribution, grant or endowment by the company to a charitable organization, foundation or university at which a related party's only relationship is an employee or a director if the aggregate amount involved does not exceed the lesser of \$100,000 or 2 percent of the charitable organization's total annual receipts.

The full text of the Related Party Transaction Policy can be viewed on our website, www.teledyne.com under Corporate Information Governance .

Table of Contents

Other Information

Annual Report on Form 10-K

Copies of our Annual Report on Form 10-K, without exhibits, can be obtained without charge from the Senior Vice President, General Counsel and Secretary, at Teledyne Technologies Incorporated, 1049 Camino Dos Rios, Thousand Oaks, California 91360, or telephone (805) 373-4545. You also may view a copy of the Form 10-K electronically by accessing our website www.teledyne.com. Additionally, in accordance with rules issued by the SEC, you may access our 2015 Annual Report at www.envisionreports.com/tdy.

2017 Annual Meeting and Stockholder Proposals

Under Rule 14a-8 of the SEC, proposals of stockholders intended to be presented at the 2016 Annual Meeting of Stockholders must be received no later than November 15, 2016, for inclusion in the Proxy Statement and proxy card for that meeting. In addition, our Restated Certificate of Incorporation provides that in order for nominations or other business to be properly brought before an Annual Meeting by a stockholder, the stockholder must give timely notice thereof in writing to the Secretary. To be timely, a stockholder's notice must be delivered to the Secretary not less than 75 days and not more than 90 days prior to the first anniversary of the preceding year's Annual Meeting which, in the case of the 2017 Annual Meeting of Stockholders, would be no earlier than January 27, 2017 and no later than February 11, 2017. If, however, the date of the Annual Meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, to be timely, notice by the stockholder must be so delivered not earlier than the 90th day prior to such Annual Meeting and not later than the later of the 60th day prior to such Annual Meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Our Restated Certificate of Incorporation also requires that such notice contain certain additional information. Copies of the Restated Certificate of Incorporation can be obtained without charge from the Senior Vice President, General Counsel and Secretary.

Proxy Solicitation

Our Board is soliciting your vote. Our directors, officers or other employees may solicit proxies on behalf of the Board by mail, the Internet, in person, by electronic delivery, telephone, facsimile or other medium

We pay the cost of preparing, assembling and mailing this proxy-soliciting material and soliciting proxies. We will reimburse banks, brokers and other nominee holders for reasonable expenses they incur in sending these proxy materials to our beneficial stockholders whose stock is registered in the nominee's name.

We have engaged Georgeson, Inc., to help solicit proxies at a cost of \$6,500 plus expenses. Our employees may solicit proxies for no additional compensation.

Householding of Proxy Materials

The SEC has adopted rules that permit companies and intermediaries (such as banks and brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single Proxy Statement addressed to those stockholders. This process, which is commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are our stockholders will be householding our proxy materials. A single Proxy Statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the impacted stockholders. Once you have received notice from your broker that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding

Edgar Filing: TRANS LUX CORP - Form 10-K

and would prefer to receive a separate Proxy Statement and annual report, please notify your broker or direct your written request to Melanie S. Cibik, Senior Vice President, General Counsel and Secretary, Teledyne Technologies Incorporated, 1049 Camino Dos Rios, Thousand Oaks, California 91360, or call (805) 373-4545. Any stockholder who currently receives multiple copies of the Proxy Statement at his, her or its address and would like to request householding of any communications should contact his, her or its broker.

TELEDYNE TECHNOLOGIES INCORPORATED | 2016 Proxy Statement 61

Table of Contents

Other Information (continued)

Electronic Access to Proxy Materials and Annual Report

Stockholders can elect to view future Proxy Statements and annual reports over the Internet instead of receiving paper copies in the mail and thus can save us the cost of producing and mailing these documents. You will be responsible for any costs normally associated with electronic access, such as usage and telephonic charges.

Registered stockholders who have access to the Internet and agree to receive future annual reports and other proxy materials by accessing our web site (www.teledyne.com) should provide their valid email addresses to our transfer agent, Computershare, at the agent's website www.computershare.com/investor. If you hold your common stock in nominee name (such as through a broker), check the information provided by your nominee for instructions on how to elect to view future Proxy Statements and annual reports over the Internet. Stockholders who choose to view future Proxy Statements and annual reports over the Internet will receive instructions containing the Internet address of those materials, as well as voting instructions, approximately four weeks before future meetings. Additionally, in accordance with rules issued by the SEC, you may access our 2015 Annual Report and this Proxy Statement at www.envisionreports.com/tdy.

If you enroll to view our future annual report and Proxy Statement electronically and vote your proxy over the Internet, your enrollment will remain in effect for all future stockholders' meetings unless you cancel it. To cancel, registered stockholders should access www.computershare.com/investor and follow the instructions to cancel your enrollment. If you hold your stock in nominee name, check the information provided by your nominee holder for instructions on how to cancel your enrollment.

If at any time you would like to receive a paper copy of the annual report or Proxy Statement, please write to Melanie S. Cibik, Senior Vice President, General Counsel and Secretary, Teledyne Technologies Incorporated, 1049 Camino Dos Rios, Thousand Oaks, California 91360.

By Order of the Board of Directors,

Melanie S. Cibik

Senior Vice President, General Counsel

and Secretary

March 8, 2016

Table of Contents

Table of Contents

Table of Contents

Table of Contents