

PULSE ELECTRONICS CORPORATION

Executive and Director Stock Ownership Guidelines

At Pulse, ownership of company stock by our executives and directors is very important. It demonstrates to the investing public, the financial press and the rest of our employees that we believe in the company. That is why we have minimum stock ownership guidelines.

We express our guidelines as a multiple of base salary or a director's annual retainer. The Compensation Committee will determine the specific number of shares needed to reach these guidelines for each individual based on his/her annual base salary, the annual retainer, and Pulse's stock price at the time of the program's adoption. The Committee will periodically update these levels for changes in salary/retainer and stock price. Until then, each individual's share requirement will remain fixed. Our minimum stock ownership guidelines by level are as follow:

Level/Band	Minimum Ownership Requirements
	Multiple of Base Salary or annual retainer
CEO & President	6X
Non-Employee Board Director	5X
COO	3X
CFO	3X
Senior Vice President	2X
Vice President reporting to the CEO	1X

Until the applicable guideline is achieved, the executive or director is required to retain an amount equal to 50% of the net shares received as a result of the exercise of Pulse stock options or the vesting of restricted stock or restricted stock units. "Net shares" are those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and withholding taxes. Because executives and directors must retain a percentage of shares resulting from any exercise of Pulse stock options or the vesting of restricted stock or restricted stock units until they achieve the specified guidelines, there is no minimum time period required to achieve the guidelines.

In calculating share ownership, the following sources may be included:

- Shares purchased on the open market
- Shares held in individual brokerage accounts
- Shares owned jointly with, or separately, by spouse and/or minor children
- Shares held through the 401(k) Plan
- Shares obtained through stock option exercise
- Unvested and vested restricted stock or restricted stock units
- Shares held in a deferred compensation plan

A director's annual retainer includes annual cash retainer fees, but excludes chairperson fees, board or committee attendance fees and any incentive compensation awards.

Failure to meet or, in the absence of unique circumstances, to show sustained progress toward meeting the above ownership requirements may result in a reduction in future long-term incentive equity grants, and/or payment of future annual and/or long-term cash incentive payouts in the form of stock.

Executives or directors who are subject to the stock ownership requirements will be notified each

year as to their status against the requirements. Since Pulse does not have access to information about shares held in street name, in individual brokerage accounts, or owned by a spouse and/or minor child(ren), executives and directors will be asked to provide that information.

Adopted by the Compensation Committee December 16, 2011