



## TEKTRONIX, INC.



### Notice of Annual Meeting of Shareholders, September 23, 1978

#### *To the Shareholders of Tektronix, Inc.:*

The annual meeting of the shareholders of Tektronix, Inc., an Oregon corporation, will be held in accordance with the bylaws on Saturday, September 23, 1978, at 9 o'clock a.m., Pacific Daylight Time, at the Cafeteria Building, S.W. Karl Braun Drive, Tektronix Industrial Park, near Beaverton, Oregon, for the following purposes:

1. Electing a board of directors for the ensuing year;
2. Voting on approval of selection of independent auditors for the Company; and
3. Transacting such other business as may properly come before the meeting.

Only shareholders of record at the close of business on Friday, August 4, 1978, will be entitled to vote at the annual meeting.

*You are respectfully requested to date and sign the enclosed proxy and return it in the postage prepaid envelope enclosed for that purpose. You may attend the meeting in person even though you have sent in your proxy, since retention of the proxy is not necessary for admission to or identification at the meeting.*

*By Order of the Board of Directors*

James B. Castles  
*Secretary*

Beaverton, Oregon  
August 1, 1978

## PROXY STATEMENT

The mailing address of the principal executive offices of the Company is 14150 S.W. Karl Braun Drive, Tektronix Industrial Park, Beaverton, Oregon 97077. The approximate date this proxy statement and the accompanying proxy form are first being sent to shareholders is August 21, 1978.

Upon written request to James B. Castles, Secretary and General Counsel of the Company, any person whose proxy is solicited by this proxy statement will be provided without charge a copy of the Company's Annual Report on Form 10-K, including financial statements and schedules.

### SOLICITATION AND REVOCABILITY OF PROXY

The enclosed proxy is solicited on behalf of the management of Tektronix, Inc., an Oregon corporation, for use at the annual meeting of shareholders to be held on September 23, 1978. The Company will bear the cost of preparing and mailing the proxy, proxy statement, and any other material furnished to the shareholders by the Company in connection with the annual meeting. Proxies will be solicited by use of the mails and officers and employees of the Company may also solicit proxies by telephone or personal contact. Copies of solicitation materials will be furnished to fiduciaries, custodians and brokerage houses for forwarding to beneficial owners of the stock held in their names. All valid proxies will be voted at the annual meeting.

Any person giving a proxy in the form accompanying this proxy statement has the power to revoke it at any time before its exercise. The proxy may be revoked by filing with the Secretary of the Company an instrument of revocation or a duly executed proxy bearing a later date. The proxy may also be revoked by affirmatively electing to vote in person while in attendance at the meeting. However, a shareholder who attends the meeting need not revoke his proxy and vote in person unless he wishes to do so.

## VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS

The Common Shares are the only authorized voting securities of the Company. The record date for determining holders of Common Shares entitled to vote at the annual meeting is August 4, 1978. On that date there were 17,938,038 Common Shares outstanding, entitled to one vote per share. The Common Shares do not have cumulative voting rights.

The following table shows ownership of the Common Shares of the Company on June 30, 1978 by each person who, to the knowledge of management, owned beneficially more than five percent of the Common Shares, and by all officers and directors as a group:

<i>Name</i>	<i>Type of Ownership</i>	<i>Number of Shares (1)</i>	<i>Approximate Percent</i>
Howard Vollum	Record and beneficial	3,672,680	20.49%
1000 N.W. Skyline Portland, Oregon	Beneficial only (2)	114,204	0.64%
19 officers and directors as a group	Record and beneficial	4,085,681	22.80%
	Beneficial only (3)	196,430	1.10%

- (1) Does not include shares which may be purchased after June 30, 1978 under the Employee Share Purchase Plan of the Company described below.
- (2) The shares owned by Mr. Vollum beneficially but not of record are held by or in trust for his children. Mr. Vollum disclaims that he is the beneficial owner of these shares.
- (3) Includes 74,250 shares which may be acquired upon exercise of stock options. See "Stock Options" under "Remuneration."

## ELECTION OF DIRECTORS

The directors of the Company are elected at the annual meeting in September to serve for one year. The management's nominees for director are listed below together with certain information about each of them. All of the nominees are presently directors of the Company.

<i>Nominee</i>	<i>Principal Occupation and Position with the Company</i>	<i>Has served as director since</i>	<i>Common Shares beneficially owned on June 30, 1978(1)</i>
Howard Vollum	Chairman of the Board of Directors of the Company	1946	3,786,884 (2)
Earl Wantland	President of the Company	1969	46,490 (3)
James B. Castles	Secretary and General Counsel of the Company	1953	105,000 (4)
Louis B. Perry (5)	President of Standard Insurance Company	1973	1,000
John D. Gray (5)	Chairman of the Board of Omark Industries, Inc.	1973	5,000 (6)
Frank M. Warren (5)	Chairman of the Board of Portland General Electric Company	1964	406
Paul L. Boley	Partner, Davies, Biggs, Strayer, Stoel and Boley (Attorneys at Law)	1971	100 (4)

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- (1) Does not include shares which may be purchased after June 30, 1978 under the Employee Share Purchase Plan of the Company described below.
  - (2) See "Voting Securities and Principal Shareholders" for information as to record and beneficial ownership of 114,204 of these shares. Does not include 11,310 shares owned by the Tektronix Foundation of which Mr. Vollum is chairman and a trustee.
  - (3) Includes 1,200 shares held by Mr. Wantland's son or in trust for his minor child. Mr. Wantland disclaims that he is the beneficial owner of these shares.
  - (4) Messrs. Castles and Boley are two of the three trustees of the M. J. Murdock Charitable Trust. On June 30, 1978 the Trust owned 132,000 Common Shares.
  - (5) Member of audit committee.
  - (6) Includes 4,800 shares held by Mr. Gray's wife. Mr. Gray disclaims that he is beneficial owner of these shares.

The proxies will be voted for the election of the nominees listed above. If for some unforeseen reason any of the nominees should not be available as a candidate for director, the number of directors constituting the board of directors may be reduced prior to the meeting or the proxies may be voted for such other candidate or candidates as may be nominated by the management, in accordance with the authority conferred in the proxy.

## REMUNERATION

### Direct Remuneration

The following information is furnished on an accrual basis for the fiscal year ended May 27, 1978 with respect to each director, and each of the three highest paid officers, of the Company whose aggregate direct remuneration from the Company and its subsidiaries exceeded \$40,000 for the year, and with respect to all officers and directors as a group:

<i>Name of individual or number of persons in group</i>	<i>Capacities in which remuneration was received</i>	<i>Base pay and directors fees(1)</i>	<i>Cash profit share</i>	<i>Aggregate direct remuneration(1)</i>
Howard Vollum	Chairman of the Board of Directors	\$ 70,200(2)	\$ 14,581	\$ 84,780
Earl Wantland	President—Chief Executive Officer	\$ 143,715	\$ 14,890	\$ 158,605
William D. Walker	Group Vice President	\$ 106,129	\$ 11,011	\$ 117,140
Lawrence L. Mayhew	Group Vice President	\$ 91,538	\$ 18,747	\$ 110,285
James B. Castles	Secretary and General Counsel	\$ 65,101	\$ 6,626	\$ 71,727
20 officers and directors as a group		\$1,175,091	\$157,870	\$1,250,893

- (1) Does not include remuneration, if any, received under the Stock Option Plans and Employee Share Purchase Plan described below. Directors who are also officers of the Company receive no compensation for their services as directors.
- (2) Does not include \$7,500 representing the estimated cost of certain tax and financial services provided to Mr. Vollum.

The amounts shown as Profit Share were cash amounts paid under the Company's Profit Sharing Plan and Profit Share Deferral Plan. Under these Plans, approximately 35% of consolidated profit of participating companies (before income taxes, charitable contributions and certain incentive compensation awards) is set aside as a part of employee compensation. Generally,

13¾ % of such profit is distributed to employees in cash in proportion to their base pay, 7½ % is paid to the Master Retirement Trust under the Retirement Profit Sharing Plan and 13¾ % is allocated to the Trust under the Profit Share Deferral Plan. Under the Deferral Plan an employee may elect to have all or part of the portion otherwise payable to the Trust paid currently in cash. Officers of the Company participate in the Profit Sharing Plan and the Profit Share Deferral Plan on the same basis as other employees.

## Retirement

Benefits are available under the Company's Pension Plan, Retirement Profit Sharing Plan and Profit Share Deferral Plan when an employee reaches early retirement age, dies or becomes totally and permanently disabled. As of June 30, 1978, the Master Retirement Trust under these three plans owned 76,768 Common Shares, or about 0.42% of the outstanding shares of the Company.

The table below shows the amounts set aside during the last fiscal year and the aggregate amount accrued at the end of the last fiscal year in the Trust under the Retirement Profit Sharing Plan and the Profit Share Deferral Plan for each of the individuals named above under "Direct Remuneration" and for all officers and directors as a group. The table also shows the estimated benefits at normal retirement date under the Pension Plan for the officers named. Amounts for all directors and officers as a group do not include amounts with respect to any person for periods during which that person was neither an officer nor a director.

<i>Name of individuals or number of persons in group</i>	<i>Amount set aside during last fiscal year</i>	<i>Aggregate amount accrued at May 27, 1978</i>	<i>Estimate annual pension at normal retirement</i>
Howard Vollum	\$ 3,984	\$ 520,723	\$ 26,578
Earl Wantland	23,075	161,697	56,690
William D. Walker	17,057	104,029	40,730
Lawrence L. Mayhew	5,150	40,087	34,610
James B. Castles	10,256	97,734	17,114
All officers and directors as a group (20 persons)	\$142,174	\$1,668,942	\$396,098

## **Earnings Per Share Growth Plan**

The Company's Earnings Per Share Growth Plan provides for cash payments to participating executive employees based upon growth in the Company's earnings per share over an extended period of time. Under the Plan, a Compensation Committee, consisting of directors who are not eligible to participate in the Plan, awards units of participation to selected executive employees. No more than 20,000 units may be awarded in any year and units awarded during the life of the Plan may not exceed 100,000.

The value of a unit depends upon a growth factor for earnings per share during a three year incentive period. The earnings per share growth factor is calculated by dividing (i) earnings per share for the year preceding the unit award multiplied by six into (ii) the sum of: (a) earnings per share in the first year of the incentive period multiplied by one, (b) earnings per share in the second year of the incentive period multiplied by two and (c) earnings per share in the third year of the incentive period multiplied by three. No award is earned if the earnings per share growth factor is less than 1.25. The maximum award of \$150 per unit is earned if the earnings per share growth factor equals or exceeds 1.70.

The table below shows for the years indicated the units awarded and the amounts accrued by the Company under the Earnings Per Share Growth Plan for each of the individuals named above under "Direct Remuneration" and for all officers and directors as a group. Amounts for all officers and directors as a group do not include amounts with respect to any person for periods during which that person was neither an officer nor director. The amounts shown as accrued but not earned have been reserved by the Company for accounting purposes. Whether such amounts are earned and paid to participants in the plan will depend upon the earnings per share of the Company for the current fiscal year. Amounts earned under the Plan may be taken in a current lump sum payment or deferred, at the election of the participant. The Plan provides for interest payments by the Company on deferred amounts from January 1 following the end of the incentive period until the last installment is paid.

	<i>Earl Wantland</i>	<i>William D. Walker</i>	<i>Lawrence L. Mayhew</i>	<i>James B. Castles</i>	<i>All directors and officers as a group</i>
Units awarded during 1976 (for fiscal years ending in 1977, 1978 and 1979)	1,000	800	800	500	7,600
Aggregate amount accrued but not earned at May 27, 1978 on units awarded during 1976	\$150,000	\$120,000	\$120,000	\$ 75,000	\$1,140,000

## Stock Options

The Company adopted qualified stock option plans in 1963, 1967 and 1969 and a non-qualified stock option plan in 1973. In addition, options to acquire the Company's Common Shares are outstanding under a Grass Valley employee stock option plan. Each option outstanding under the non-qualified plan includes a stock appreciation right which gives the optionee the right to surrender all or part of an option and obtain payment of an amount equal to the difference between the aggregate exercise price of the surrendered option and the fair market value of the shares subject to the option. Payment upon exercise of a stock appreciation right may be made in Common Shares of the Company valued at their fair market value on the exercise date, or in cash, or partly in shares and partly in cash.

The following table shows as to the officers and directors named above under "Direct Remuneration" and as to all officers and directors as a group (i) the amount of options granted under the Company's stock option plans since the beginning of the previous fiscal year, (ii) the amount of shares acquired since that date through the exercise of options granted since that date or prior thereto and (iii) the amount of shares subject to all unexercised options held as of July 15, 1978. Amounts shown have been adjusted for the 2-for-1 stock split issued on May 9, 1977. Amounts for officers and directors as a group do not include amounts with respect to any person for periods during which that person was neither an officer nor a director.



<i>Common Shares</i>	<i>Earl Wantland</i>	<i>William D. Walker</i>	<i>Lawrence L. Mayhew</i>	<i>All directors and officers as a group</i>
Granted May 29, 1977 to July 15, 1978:				
Number of shares:				
Qualified Plans	—	—	—	—
Non-Qualified Plan	—	—	—	5,000
Average per share exercise price:				
Qualified Plans	—	—	—	—
Non-Qualified Plan	—	—	—	\$ 35.90
Exercised May 29, 1977 to July 15, 1978:				
Number of shares:				
Qualified Plans	—	—	4,000	27,750
Non-Qualified Plan (1)	—	—	1,000	8,000
Aggregate exercise price:				
Qualified Plans	—	—	\$ 80,300	\$ 627,279
Non-Qualified Plan	—	—	\$ 12,188	\$ 97,500
Aggregate market value of shares on date of exercise:				
Qualified Plans	—	—	\$162,800	\$1,025,663
Non-Qualified Plan	—	—	\$ 36,125	\$ 292,375
Unexercised at July 15, 1978:				
Number of Shares:				
Qualified Plans	4,000	4,000	—	31,150
Non-Qualified Plan	10,000	14,000	2,000	58,000
Aggregate per share exercise price:				
Qualified Plans	\$ 80,300	\$ 80,300	—	\$ 609,291
Non-Qualified Plan	\$121,875	\$208,950	\$ 24,375	\$ 863,763

(1) Reflects the number of shares covered by stock appreciation rights exercised and options surrendered upon exercise of stock appreciation rights. No options were exercised.

## **Employee Share Purchase Plan**

All permanent employees of the Company and designated domestic subsidiaries, including employees who are officers or directors, are eligible to participate in the 1976 Employee Share Purchase Plan of the Company. The Plan permits each eligible employee to purchase Common Shares of the Company by means of a payroll deduction. Amounts withheld are applied every four weeks to purchase Common Shares for the employee. The purchase price for the shares is 80 percent of the closing price of the Common Shares on the purchase date. The amount deducted from any pay check of an employee may not exceed 20 percent of the employee's gross amount of base pay, commissions and profit share for the period covered by the check. For tax purposes, the 20 percent purchase price discount is treated as compensation to the employee. At May 27, 1978, none of the officers or directors named above had elected to participate in the Plan. The aggregate discount received by all officers and directors as a group during the fiscal year ended May 27, 1978 was \$8.30.

## **Certain Transactions**

During the Company's last fiscal year, the firm of Davies, Biggs, Strayer, Stoel and Boley, of which Paul Boley, a Director of the Company, is a partner, received fees in the amount of \$181,838 for legal services rendered to the Company, of which \$40,000 was for services relating to an underwritten sale of Common Shares for which the Company was reimbursed.

During the last fiscal year, the Company entered into separate agreements to lease three suites of offices in an office complex owned by Standard Insurance Company, of which Louis B. Perry, a director of the Company, is President. Each lease is for a two-year term with a two-year renewal option. Aggregate annual rent under the leases is \$83,534.40. The Company believes that the terms of the leases are reasonable and not in excess of the amounts which would be paid if the properties were leased from independent owners.

## **APPROVAL OF SELECTION OF AUDITORS**

The board of directors has selected Deloitte Haskins & Sells as the Company's independent auditors for the current fiscal year and is submitting the selection to shareholders for approval. Deloitte Haskins & Sells, formerly known as Haskins & Sells, has examined the financial statements of the Company and its subsidiaries each year, commencing in 1961, and has no relationship with the Company except in its capacity as auditors. Proxies will be voted in accordance with the instruction specified in the space provided in the proxy form. If no instructions are given, proxies will be voted for approval of the selection of Deloitte Haskins & Sells as independent auditors. Representatives of Deloitte Haskins & Sells will be present at the annual meeting, will have the opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

### **OTHER MATTERS**

While the Notice of Annual Meeting of Shareholders provides for transaction of such other business as may properly come before the meeting, the management has no knowledge of any matters to be presented at the meeting other than those referred to herein. However, the enclosed proxy gives discretionary authority in the event that any other matters should be presented.

*By Order of the Board of Directors*

**James B. Castles**  
*Secretary*

August 1, 1978