

FLEXTRONICS INTERNATIONAL LTD.

Form DEF 14A

June 07, 2010

**Table of Contents**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**FLEXTRONICS INTERNATIONAL LTD.**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

**Table of Contents**

**FLEXTRONICS INTERNATIONAL LTD.  
(Incorporated in the Republic of Singapore)  
(Company Registration Number 199002645H)**

To Our Shareholders:

On July 23, 2010, we will hold two general meetings of our shareholders at our U.S. corporate offices located at 847 Gibraltar Drive, Milpitas, California, 95035, U.S.A. Our 2010 annual general meeting of shareholders will begin at 10:00 a.m., California time. We will also hold an extraordinary general meeting of shareholders at 11:00 a.m., California time, or immediately following the conclusion or adjournment of our 2010 annual general meeting.

The matters to be voted upon at each meeting are listed in the notices that follow this letter and are described in more detail in the accompanying joint proxy statement. We urge you to read the entire joint proxy statement carefully before returning your proxy cards. Part I of the accompanying joint proxy statement provides general information about the meetings, Part II describes the proposals to be voted upon at the 2010 annual general meeting of shareholders and related information, Part III describes the proposal to be voted upon at the extraordinary general meeting of shareholders, and Part IV provides additional information, including information about our executive officers and their compensation.

**IMPORTANT NOTE REGARDING PROXY CARDS:** If you are a registered shareholder, you will receive at least two proxy cards – one for the 2010 annual general meeting and one for the extraordinary general meeting. It is very important that you return all proxy cards to ensure that your vote is represented at the relevant meetings. Whether or not you plan to attend the meeting, please complete, date and sign the enclosed proxy cards and return them in the enclosed envelope as promptly as possible, so that your shares may be represented at the relevant meetings and voted in accordance with your wishes.

You may revoke your proxies at any time prior to the time they are voted. Shareholders who are present at the meetings may revoke their proxies and vote in person or, if they prefer, may abstain from voting in person and allow their proxies to be voted.

Sincerely,

Bernard Liew Jin Yang

Company Secretary

Singapore

June 7, 2010

---

**Table of Contents**

**FLEXTRONICS INTERNATIONAL LTD.  
(Incorporated in the Republic of Singapore)  
(Company Registration Number 199002645H)**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**To Be Held on July 23, 2010**

To our shareholders:

You are cordially invited to attend, and NOTICE IS HEREBY GIVEN, of the annual general meeting of shareholders of FLEXTRONICS INTERNATIONAL LTD. ( Flextronics or the Company ), which will be held at our U.S. corporate offices located at 847 Gibraltar Drive, Milpitas, California, 95035, U.S.A., at 10:00 a.m., California time, on July 23, 2010, for the following purposes:

To re-elect the following directors: Mr. H. Raymond Bingham and Dr. Willy C. Shih. (*Proposal 1*);

To approve the re-appointment of Deloitte & Touche LLP as our independent auditors for the 2011 fiscal year and to authorize the Board of Directors, upon the recommendation of the Audit Committee, to fix their remuneration (*Proposal 2*);

To approve a general authorization for the Directors of Flextronics to allot and issue ordinary shares (*Proposal 3*); and

To approve the adoption of the Flextronics International Ltd. 2010 Equity Incentive Plan (*Proposal 4*).

The full text of the resolutions proposed for approval by our shareholders is as follows:

**As Ordinary Business**

1. To re-elect each of the following directors, who will retire by rotation pursuant to Article 95 of our Articles of Association, to the Board of Directors:

(a) Mr. H. Raymond Bingham; and

(b) Dr. Willy C. Shih.

2. To consider and vote upon a proposal to re-appoint Deloitte & Touche LLP as our independent auditors for the fiscal year ending March 31, 2011, and to authorize our Board of Directors, upon the recommendation of the Audit Committee of the Board of Directors, to fix their remuneration.

**As Special Business**

**3. To pass the following resolution as an Ordinary Resolution:**

RESOLVED THAT, pursuant to the provisions of Section 161 of the Singapore Companies Act, Cap. 50, but subject otherwise to the provisions of the Singapore Companies Act, Cap. 50 and our Articles of Association, authority be and

is hereby given to our Directors to:

- (a) (i) allot and issue ordinary shares in our capital; and/or
- (ii) make or grant offers, agreements or options that might or would require ordinary shares in our capital to be allotted and issued, whether after the expiration of this authority or otherwise (including but not limited to the creation and issuance of warrants, debentures or other instruments convertible into ordinary shares in our capital),

**Table of Contents**

at any time to and/or with such persons and upon such terms and conditions and for such purposes as our Directors may in their absolute discretion deem fit, and with such rights or restrictions as our Directors may think fit to impose and as are set forth in our Articles of Association; and

- (b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) allot and issue ordinary shares in our capital in pursuance of any offer, agreement or option made or granted by our Directors while this resolution was in force,

and that such authority shall continue in force until the conclusion of our next annual general meeting or the expiration of the period within which our next annual general meeting is required by law to be held, whichever is the earlier.

**4. To pass the following resolution as an Ordinary Resolution:**

RESOLVED THAT, approval be and is hereby given for:

the adoption of a new equity incentive plan to be known as the Flextronics International Ltd. 2010 Equity Incentive Plan, which we refer to as the 2010 Plan, a summary of which is set out in the attached joint proxy statement and the rules of which, for the purpose of identification, have been subscribed to by the Chairman of the Meeting, and that our Directors be and are hereby authorized to:

- (a) establish and administer the 2010 Plan;
- (b) modify and/or alter the 2010 Plan from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the 2010 Plan, and to do all such acts and to enter into all such transactions, agreements and arrangements as may be necessary or expedient in order to give full effect to the 2010 Plan; and
- (c) offer and/or grant options, restricted share units, stock appreciation rights, performance share awards, performance share units and any other share-based awards under the 2010 Plan, all in accordance with the provisions of the 2010 Plan and to allot and issue from time to time such number of ordinary shares in our capital as may be required to be allotted and issued pursuant to the (i) exercise of options and/or stock appreciation rights; and (ii) vesting of restricted share units, performance share awards, performance share units and/or such other share-based awards under the 2010 Plan, all pursuant to the 2010 Plan.

**5. To transact any other business which may properly be put before the annual general meeting.**

**Notes**

*Singapore Financial Statements.* At the 2010 annual general meeting, our shareholders will have the opportunity to discuss and ask any questions that they may have regarding our Singapore audited accounts for the fiscal year ended March 31, 2010, together with the reports of the directors and auditors thereon, in compliance with Singapore law. Shareholder approval of our audited accounts is not being sought by this joint proxy statement and will not be sought at the 2010 annual general meeting.

*Eligibility to Vote at Annual General Meeting; Receipt of Notice.* The Board of Directors has fixed the close of business on May 24, 2010 as the record date for determining those shareholders of the company who will be entitled to receive copies of this notice and accompanying joint proxy statement. However, all shareholders of record on

July 23, 2010, the date of the 2010 annual general meeting, will be entitled to vote at the 2010 annual general meeting.

*Quorum.* Representation of at least 33 1/3% of all outstanding ordinary shares of the company is required to constitute a quorum. Accordingly, it is important that your shares be represented at the 2010 annual general meeting.



**Table of Contents**

*Proxies.* A shareholder entitled to attend and vote at the 2010 annual general meeting is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not also be a shareholder. **Whether or not you plan to attend the meeting, please complete, date and sign the enclosed proxy card and return it in the enclosed envelope.** A proxy card must be received by Flextronics International Ltd., c/o Proxy Services, c/o Computershare Investor Services, PO Box 43101, Providence, RI 02940-5067 not less than 48 hours before the time appointed for holding the 2010 annual general meeting. You may revoke your proxy at any time prior to the time it is voted. Shareholders who are present at the meeting may revoke their proxies and vote in person or, if they prefer, may abstain from voting in person and allow their proxies to be voted.

*Availability of Proxy Materials on the Internet.* We are pleased to take advantage of Securities and Exchange Commission rules that allow issuers to furnish proxy materials to some or all of their shareholders on the Internet. In accordance with Singapore law, our registered shareholders (shareholders who own our ordinary shares in their own name through our transfer agent, Computershare Investor Services, LLP) will not be able to vote their shares over the Internet, but we will be providing this service to our beneficial holders (shareholders whose ordinary shares are held by a brokerage firm, a bank or a nominee). We believe these rules will allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our annual general meeting of shareholders.

By order of the Board of Directors,

Bernard Liew Jin Yang

Company Secretary

Singapore

June 7, 2010

**Table of Contents**

**FLEXTRONICS INTERNATIONAL LTD.  
(Incorporated in the Republic of Singapore)  
(Company Registration Number 199002645H)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

**To Be Held on July 23, 2010**

To our shareholders:

You are cordially invited to attend, and NOTICE IS HEREBY GIVEN, of an extraordinary general meeting of shareholders of FLEXTRONICS INTERNATIONAL LTD. ( Flextronics or the Company ), which will be held at our U.S. corporate offices located at 847 Gibraltar Drive, Milpitas, California, 95035, U.S.A., on July 23, 2010 at 11:00 a.m., California time, or immediately following the conclusion or adjournment of our 2010 annual general meeting of shareholders (which is being held at 10:00 a.m., California time on the same day and at the same place). The extraordinary general meeting of shareholders is being held for the purpose of approving a renewal of the Share Purchase Mandate permitting Flextronics to purchase or otherwise acquire its own issued ordinary shares.

We are asking our shareholders to approve this renewal of the Share Purchase Mandate at the extraordinary general meeting in order to provide the Company with additional flexibility in the number of shares that it may repurchase pursuant to the Share Purchase Mandate.

In accordance with the provisions of the Singapore Companies Act, Cap. 50, the Share Purchase Mandate generally permits us to purchase up to an aggregate of 10% of our ordinary shares, calculated based on the greater of the total number of issued ordinary shares outstanding as of (x) the date of our last annual general meeting of shareholders and (y) the date on which the Share Purchase Mandate renewal is approved. All shares purchased by us following the date of our last annual general meeting of shareholders (that is, the annual general meeting that *precedes* the meeting at which the mandate is renewed) are subject to this 10% limitation. For example, if we sought approval for the renewal of the Share Purchase Mandate at our 2010 annual general meeting of shareholders, we would have to reduce the number of new shares that we could repurchase by the number of shares purchased by us at any time after the date of our 2009 annual general meeting. By holding an extraordinary general meeting after our 2010 annual general meeting for the purpose of approving the renewal of the Share Purchase Mandate, the applicable date of our last annual general meeting of shareholders will be the date of the 2010 annual general meeting (rather than the date of the 2009 annual general meeting) and we will not need to reduce the number of shares that we can repurchase by any shares repurchased between the 2009 and 2010 annual general meetings. For additional information on this proposal, please refer to the joint proxy statement accompanying this notice.

The full text of the resolution proposed for approval by our shareholders is as follows:

**1. To pass the following resolution as an Ordinary Resolution:**

RESOLVED THAT:

- (a) for the purposes of Sections 76C and 76E of the Singapore Companies Act, Cap. 50, the exercise by our Directors of all of our powers to purchase or otherwise acquire issued ordinary shares in the capital of the Company, not exceeding in aggregate the number of issued ordinary shares representing 10% (or such other higher percentage as the Minister may by notification prescribe pursuant to the Singapore Companies Act) of the total number of issued

Ordinary Shares outstanding as of the date of the passing of this Resolution (excluding any ordinary shares which are held as treasury shares as at that date), at such price or prices as may be determined by our Directors from time to

**Table of Contents**

time up to the maximum purchase price described in paragraph (c) below, whether by way of:

- (i) market purchases on the NASDAQ Global Select Market or any other stock exchange on which our ordinary shares may for the time being be listed and quoted; and/or
- (ii) off-market purchases (if effected other than on the NASDAQ Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted) in accordance with any equal access scheme(s) as may be determined or formulated by our Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Singapore Companies Act, Cap. 50,

and otherwise in accordance with all other laws and regulations and rules of the NASDAQ Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally;

- (b) unless varied or revoked by our shareholders in a general meeting, the authority conferred on our Directors pursuant to the mandate contained in paragraph (a) above may be exercised by our Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
  - (i) the date on which our next annual general meeting is held; or
  - (ii) the date by which our next annual general meeting is required by law to be held;
- (c) the maximum purchase price (excluding brokerage commission, applicable goods and services tax and other related expenses) which may be paid for an ordinary share purchased or acquired by us pursuant to the mandate contained in paragraph (a) above, shall not exceed:
  - (i) in the case of a market purchase of an ordinary share, the highest independent bid or the last independent transaction price, whichever is higher, of our ordinary shares quoted or reported on the NASDAQ Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted, or shall not exceed any volume weighted average price, or other price determined under any pricing mechanism, permitted under SEC Rule 10b-18, at the time the purchase is effected; and
  - (ii) in the case of an off-market purchase pursuant to an equal access scheme, 150% of the Prior Day Close Price, which means the closing price of our ordinary shares as quoted on the NASDAQ Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted, on the day immediately preceding the date on which we announce our intention to make an offer for the purchase or acquisition of our ordinary shares from holders of our ordinary shares, stating therein the purchase price (which shall not be more than the maximum purchase price calculated on the foregoing basis) for each ordinary share and the relevant terms of the equal access scheme for effecting the off-market purchase; and
- (d) our Directors and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or

authorized by this resolution.

**Table of Contents**

**2. To transact any other business which may properly be put before the extraordinary general meeting.**

**Notes**

*Eligibility to Vote at Extraordinary General Meeting; Receipt of Notice.* The Board of Directors has fixed the close of business on May 24, 2010 as the record date for determining those shareholders of the company who will be entitled to receive copies of this notice and accompanying joint proxy statement. However, all shareholders of record on July 23, 2010, the date of the extraordinary general meeting, will be entitled to vote at the extraordinary general meeting.

*Quorum.* Representation of at least 33 1/3% of all outstanding ordinary shares of the company is required to constitute a quorum. Accordingly, it is important that your shares be represented at the extraordinary general meeting.

*Proxies.* A shareholder entitled to attend and vote at the extraordinary general meeting is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not also be a shareholder. **Whether or not you plan to attend the meeting, please complete, date and sign the enclosed proxy card and return it in the enclosed envelope.** A proxy card must be received by Flextronics International Ltd., c/o Proxy Services, c/o Computershare Investor Services, PO Box 43101, Providence, RI 02940-5067 not less than 48 hours before the time appointed for holding the extraordinary general meeting. You may revoke your proxy at any time prior to the time it is voted. Shareholders who are present at the meeting may revoke their proxies and vote in person or, if they prefer, may abstain from voting in person and allow their proxies to be voted.

*Availability of Proxy Materials on the Internet.* We are pleased to take advantage of Securities and Exchange Commission rules that allow issuers to furnish proxy materials to some or all of their shareholders on the Internet. In accordance with Singapore law, our registered shareholders (shareholders who own our ordinary shares in their own name through our transfer agent, Computershare Investor Services, LLP) will not be able to vote their shares over the Internet, but we will be providing this service to our beneficial holders (shareholders whose ordinary shares are held by a brokerage firm, a bank or a nominee). We believe these rules will allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our extraordinary general meeting of shareholders.

*Disclosure Regarding Share Purchase Mandate Funds.* Only funds legally available for purchasing or acquiring our issued ordinary shares in accordance with our Articles of Association and the applicable laws of Singapore will be used for the purchase or acquisition by us of our own issued ordinary shares pursuant to the proposed renewal of the Share Purchase Mandate referred to in this notice. We intend to use our internal sources of funds and/or borrowed funds to finance the purchase or acquisition of our issued ordinary shares. The amount of financing required for us to purchase or acquire our issued ordinary shares, and the impact on our financial position, cannot be ascertained as of the date of this notice, as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares are purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled. Our net tangible assets and the consolidated net tangible assets of the company and its subsidiaries will be reduced by the purchase price of any ordinary shares purchased or acquired and cancelled. We do not anticipate that the purchase or acquisition of our ordinary shares in accordance with the Share Purchase Mandate would have a material impact on our consolidated results of operations, financial condition and cash flows.

By order of the Board of Directors,

Bernard Liew Jin Yang

Company Secretary

Singapore

June 7, 2010

vii

---

**Table of Contents**

**You should read this entire joint proxy statement  
carefully prior to returning your proxy cards.**

**Important Notice Regarding the Availability of Proxy Materials for the 2010 Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders to Be Held on July 23, 2010. The accompanying joint proxy statement and our annual report to shareholders are available on our website at [www.flextronics.com/secfilings](http://www.flextronics.com/secfilings).**



**Table of Contents**

**Table of Contents**

	Page #
<b><u>NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS</u></b>	ii
<b><u>NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS</u></b>	v
<b><u>JOINT PROXY STATEMENT</u></b>	1
<b><u>PART I - INFORMATION ABOUT THE MEETINGS</u></b>	1
<b><u>VOTING RIGHTS AND SOLICITATION OF PROXIES</u></b>	2
<b><u>PART II PROPOSALS TO BE CONSIDERED AT THE 2010 ANNUAL GENERAL MEETING OF SHAREHOLDERS</u></b>	3
<b><u>PROPOSAL NO. 1: RE-ELECTION OF DIRECTORS</u></b>	3
<b><u>CORPORATE GOVERNANCE</u></b>	6
<b><u>NON-MANAGEMENT DIRECTORS COMPENSATION FOR FISCAL YEAR 2010</u></b>	13
<b><u>PROPOSAL NO. 2: RE-APPOINTMENT OF INDEPENDENT AUDITORS FOR FISCAL YEAR 2011 AND AUTHORIZATION OF OUR BOARD TO FIX THEIR REMUNERATION</u></b>	18
<b><u>AUDIT COMMITTEE REPORT</u></b>	19
<b><u>PROPOSAL NO. 3: ORDINARY RESOLUTION TO AUTHORIZE ORDINARY SHARE ISSUANCES</u></b>	21
<b><u>PROPOSAL NO. 4: ORDINARY RESOLUTION TO APPROVE THE ADOPTION OF THE FLEXTRONICS INTERNATIONAL LTD. 2010 EQUITY INCENTIVE PLAN</u></b>	22
<b><u>EQUITY COMPENSATION PLAN INFORMATION</u></b>	31
<b><u>PART III PROPOSAL TO BE CONSIDERED AT THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS</u></b>	33
<b><u>ORDINARY RESOLUTION TO RENEW THE SHARE PURCHASE MANDATE</u></b>	33
<b><u>PART IV ADDITIONAL INFORMATION</u></b>	38
<b><u>EXECUTIVE OFFICERS</u></b>	38
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	39

<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	<b>39</b>
<b><u>EXECUTIVE COMPENSATION</u></b>	<b>59</b>
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	<b>71</b>
<b><u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS</u></b>	<b>74</b>
<b><u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	<b>75</b>
<b><u>SHAREHOLDER PROPOSALS FOR THE 2011 ANNUAL GENERAL MEETING</u></b>	<b>75</b>
<b><u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u></b>	<b>75</b>
<b><u>SINGAPORE STATUTORY FINANCIAL STATEMENTS</u></b>	<b>75</b>
<b><u>OTHER MATTERS</u></b>	<b>77</b>

**Table of Contents**

**ELECTRONIC DELIVERY OF OUR SHAREHOLDER COMMUNICATIONS**

We strongly encourage our shareholders to conserve natural resources, as well as significantly reduce our printing and mailing costs, **by signing up to receive your shareholder communications via e-mail**. With electronic delivery, we will notify you when the annual report and the proxy statement are available on the Internet. Electronic delivery can also help reduce the number of bulky documents in your personal files and eliminate duplicate mailings. To sign up for electronic delivery:

1. If you are a registered holder (that is, you hold your Flextronics ordinary shares in your own name through our transfer agent, Computershare Investor Services, LLC), visit: [www.computershare.com/us/ecomms](http://www.computershare.com/us/ecomms) to enroll. Under Option 2, select Flextronics from the drop-down box of companies, then enter your account number and zip code (or family/last name if outside the United States).
2. If you are a beneficial holder (that is, your shares are held by a brokerage firm, a bank or a nominee), the voting instruction form provided by most banks or brokers will contain instructions for enrolling in electronic delivery.

Your electronic delivery enrollment will be effective until you cancel it. If you have questions about electronic delivery, please call our Investor Relations department at (408) 576-7722.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
2010 ANNUAL GENERAL MEETING OF SHAREHOLDERS  
AND THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

We have elected to provide access to our proxy materials to (i) our registered shareholders by mailing them a full set of proxy materials, including a proxy card, unless the shareholder previously consented to electronic delivery, and (ii) our beneficial holders by notifying them of the availability of our proxy materials on the Internet. For beneficial holders, instructions on how to request a printed copy of our proxy materials may be found in the Notice of Availability of Proxy Materials on the Internet.

**Table of Contents**

**FLEXTRONICS INTERNATIONAL LTD.**

**JOINT PROXY STATEMENT**

**FOR THE 2010 ANNUAL GENERAL MEETING OF  
SHAREHOLDERS**

**To Be Held on July 23, 2010  
10:00 a.m. (California Time)**

**AND AN EXTRAORDINARY GENERAL MEETING OF  
SHAREHOLDERS**

**To Be Held on July 23, 2010  
11:00 a.m. (California Time)  
(or immediately following the conclusion or adjournment  
of the 2010 Annual General Meeting)**

**Both meetings to be held at our U.S. corporate offices  
847 Gibraltar Drive  
Milpitas, California, 95035, U.S.A.**

**PART I - INFORMATION ABOUT THE MEETINGS**

We are furnishing this joint proxy statement in connection with the solicitation by our Board of Directors of proxies to be voted at the 2010 annual general meeting of our shareholders and an extraordinary general meeting of our shareholders, or at any adjournments thereof, for the purposes set forth in the notices of annual general meeting and extraordinary general meeting that accompany this joint proxy statement. Unless the context requires otherwise, references in this joint proxy statement to the company, we, us, our and similar terms mean Flextronics International Ltd. and its subsidiaries.

*Proxy Mailing.* This joint proxy statement and the enclosed proxy cards were first mailed on or about June 9, 2010 to shareholders of record as of May 24, 2010.

*Costs of Solicitation.* The entire cost of soliciting proxies will be borne by us. Following the original mailing of the proxies and other soliciting materials, our directors, officers and employees may also solicit proxies by mail, telephone, e-mail, fax or in person. These directors, officers and employees will not receive additional compensation for those activities, but they may be reimbursed for any reasonable out-of-pocket expenses. Following the original mailing of the proxies and other soliciting materials, we will request that brokers, custodians, nominees and other record holders of our ordinary shares forward copies of the proxy and other soliciting materials to persons for whom they hold ordinary shares and request authority for the exercise of proxies. In these cases, we will reimburse such holders for their reasonable expenses if they ask that we do so. We have retained Georgeson Inc., an independent proxy solicitation firm, to assist in soliciting proxies at an estimated fee of \$7,500, plus reimbursement of reasonable expenses.

*Registered Office.* The mailing address of our registered office is No. 2 Changi South Lane, Singapore 486123.

---

Table of Contents

**VOTING RIGHTS AND SOLICITATION OF PROXIES**

The close of business on May 24, 2010 is the record date for shareholders entitled to notice of our 2010 annual general meeting and the extraordinary general meeting. All of the ordinary shares issued and outstanding on July 23, 2010, the date of both the annual general meeting and the extraordinary general meeting, are entitled to be voted at each of the annual general meeting and the extraordinary general meeting, and shareholders of record on July 23, 2010 and entitled to vote at each such meeting will, on a poll, have one vote for each ordinary share so held on the matters to be voted upon. As of June 3, 2010, we had 814,743,189 ordinary shares issued and outstanding.

*Proxies.* Ordinary shares represented by proxies in the forms accompanying this joint proxy statement that are properly executed and returned to us will be voted at the 2010 annual general meeting and the extraordinary general meeting, as applicable, in accordance with our shareholders' instructions.

If your ordinary shares are held through a broker, bank, or other nominee, which is sometimes referred to as holding shares in street name, you have the right to instruct your broker, bank or other nominee on how to vote the shares in your account. Your broker, bank or nominee will send you a voting instruction form for you to use to direct how your shares should be voted.

*Quorum and Required Vote.* Representation at each of the annual general meeting and the extraordinary general meeting of at least 33 1/3% of all of our issued and outstanding ordinary shares is required to constitute a quorum to transact business at each meeting.

The affirmative vote by a show of hands of at least a majority of the shareholders present and voting, or, if a poll is demanded by the chair or by holders of at least 10% of the total number of our paid-up shares in accordance with our Articles of Association, a simple majority of the shares voting, is required (i) at the 2010 annual general meeting, to re-elect the directors nominated pursuant to Proposal No. 1, to re-appoint Deloitte & Touche LLP as our independent auditors pursuant to Proposal No. 2 and to approve the ordinary resolutions contained in Proposals Nos. 3 and 4 and (ii) at the extraordinary general meeting, to approve the ordinary resolution to approve the renewal of the Share Purchase Mandate. Consistent with the company's historical practice, the chair of each of the 2010 annual general meeting and the extraordinary general meeting will demand a poll in order to enable the ordinary shares represented in person or by proxy to be counted for voting purposes.

*Abstentions and Broker Non-Votes.* Abstentions and broker non-votes are considered present and entitled to vote at each of the 2010 annual general meeting and the extraordinary general meeting for purposes of determining a quorum. A broker non-vote occurs when a broker, bank or other nominee who holds shares for a beneficial owner does not vote on a particular proposal because the broker, bank or other nominee does not have discretionary power to vote on that particular proposal and has not received directions from the beneficial owner. If a broker, bank or other nominee indicates on the proxy card that it does not have discretionary authority to vote as to a particular matter, those shares, along with any abstentions, will not be counted in the tabulation of the votes cast on the proposal being presented to shareholders.

If you are a beneficial owner, your broker has authority to vote your shares for or against certain routine matters, such as the re-appointment of our independent auditors, even if the broker does not receive voting instructions from you. Your broker, however, does not have the discretion to vote your shares on any other proposals included in this joint proxy statement without receiving voting instructions from you. **It is very important that you instruct your broker or nominee how to vote on these proposals.** If you do not complete the voting instructions, your shares will not be considered in the election of directors, the approval of the 2010 Equity Incentive Plan, or any other proposal included

in this joint proxy statement (other than the re-appointment of our independent auditors).

**If you are a registered shareholder, in the absence of contrary instructions, shares represented by proxies submitted by you will be voted at the 2010 annual general meeting FOR the Board nominees in Proposal No. 1 and FOR Proposals Nos. 2 through 4, and at the extraordinary general meeting, FOR the proposal to approve the Share Purchase Mandate.** Our management does not know of any matters to be presented at the 2010 annual general meeting or the extraordinary general meeting other than those set forth in this joint proxy statement and in the notices accompanying this joint proxy statement. If

-2-

---

**Table of Contents**

other matters should properly be put before either of the meetings, the proxy holders will vote on such matters in accordance with their best judgment.

Any shareholder of record has the right to revoke his or her proxy at any time prior to voting at the 2010 annual general meeting or the extraordinary general meeting by:

submitting a subsequently dated proxy; or

by attending the meeting and voting in person.

If you are a beneficial holder who holds your ordinary shares through a broker, bank or other nominee and you wish to change or revoke your voting instructions, you will need to contact the broker, bank or other nominee of your shares and follow their instructions. If you are a beneficial holder and not the shareholder of record, you may not vote your shares in person at the 2010 annual general meeting unless you obtain a legal proxy from the record holder giving you the right to vote the shares.

We have prepared, in accordance with Singapore law, Singapore statutory financial statements, which are included with the annual report which will be delivered to our shareholders prior to the date of the 2010 annual general meeting. Except as otherwise stated herein, all monetary amounts in this joint proxy statement have been presented in U.S. dollars.

**PART II PROPOSALS TO BE CONSIDERED AT THE  
2010 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**PROPOSAL NO. 1:  
RE-ELECTION OF DIRECTORS**

Article 95 of our Articles of Association requires that at each annual general meeting one-third of the directors (or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors), are required to retire from office. The directors required to retire in each year are those who have been in office the longest since their last re-election or appointment. As between persons who became or were last re-elected directors on the same day, those required to retire are (unless they otherwise agree among themselves) determined by lot. Under Article 91 of our Articles of Association, any director holding office as a Chief Executive Officer shall not be subject to retirement by rotation, unless the Board of Directors determines otherwise, or be taken into account in determining the number of directors required to retire by rotation. Retiring directors are eligible for re-election. H. Raymond Bingham and Willy C. Shih, Ph.D., are the members of our Board of Directors who will retire by rotation at our 2010 annual general meeting. Mr. Bingham and Dr. Shih are eligible for re-election and have been nominated to stand for re-election at the 2010 annual general meeting. If Mr. Bingham or Dr. Shih fails to receive the affirmative vote of a majority of the shares present and voting on the resolution to approve his re-election (that is, if the number of shares voted for the director nominee does not exceed the number of votes cast against that nominee), he will not be re-elected to the Board and the number of incumbent Directors comprising the Board of Directors will be reduced accordingly.

The Singapore Companies Act, Cap. 50, which we refer to as the Companies Act, requires that we must have at all times at least one director ordinarily resident in Singapore. Mr. Tan, the only member of our board of directors who is ordinarily resident in Singapore, was last re-elected to the Board at the 2009 annual general meeting and is not up for re-election at the 2010 annual general meeting.

The proxy holders intend to vote all proxies received by them in the accompanying form for the nominees for directors listed below. In the event that any nominee is unable or declines to serve as a director at the time of the 2010 annual general meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors of the company, in accordance with Article 100 of our Articles of Association, to fill the vacancy.

As of the date of this joint proxy statement, our Board of Directors is not aware of any nominee who is unable or will decline to serve as a director.



## **Table of Contents**

### **Qualifications of Directors and Nominees**

Headquartered in Singapore, we are a leading international Electronics Manufacturing Services (EMS) provider focused on delivering complete design, engineering and manufacturing services to automotive, computing, consumer, industrial, infrastructure, medical and mobile original equipment manufacturers. We help customers design, build, ship, and service electronics products through a network of facilities in 30 countries on four continents. This global presence provides design and engineering solutions that are combined with core electronics manufacturing and logistics services, and vertically integrated with components technologies, to optimize customer operations by lowering costs and reducing time to market.

Our Nominating and Corporate Governance Committee is responsible for assessing the composition and performance of the Board of Directors and Committees of the Board of Directors and for recruiting, evaluating and recommending candidates to be presented for appointment or election to serve as members of the Board of Directors. In evaluating our Board of Directors, our Nominating and Corporate Governance Committee has considered that our directors, including our nominees for election as directors, have experience as officers, directors and private equity investors of large, complex technology companies. In these positions, they have also gained experience in core management skills that are important to their service on our Board of Directors, such as international business, supply chain management, strategic and financial planning, compliance, risk management, intellectual property matters and leadership development. Our directors also have experience serving on the boards of directors and board committees of other public companies, which provides them with an understanding of current corporate governance practices and trends and executive compensation matters. Our Nominating and Corporate Governance Committee also believes that our directors have other key attributes that are important to an effective board, including the highest professional and personal ethics and values, a broad diversity of business experience and expertise, an understanding of our business and industry, a high level of education, broad-based business acumen, and the ability to think strategically.

In addition to the qualifications described above, the Nominating and Corporate Governance Committee also considered the specific experience described in the biographical details that follow in determining whether each individual nominee or director should serve on our Board of Directors.

### **Nominees to our Board of Directors**

*H. Raymond Bingham* (age 64) Mr. Bingham has served as our Chairman of the Board since January 2008 and as a member of our Board of Directors since October 2005. He is an Advisory Director of General Atlantic LLC, a global private equity firm, and from 2006 to 2010 was a Managing Director of General Atlantic. Previously, Mr. Bingham served in various positions with Cadence Design Systems, Inc., a supplier of electronic design automation software and services, from 1997 through 2005, most recently as its Executive Chairman from May 2004 to July 2005, director from November 1997 to April 2004, President and Chief Executive Officer from April 1999 to May 2004, and Executive Vice President and Chief Financial Officer from April 1993 to April 1999. Mr. Bingham also serves on the boards of STMicroelectronics and Oracle Corporation. Mr. Bingham was named a 2009 Outstanding Director by the Outstanding Director Exchange, a division of the Financial Times; and Mr. Bingham also serves as a director of the Silicon Valley Education Foundation and as a board member of the National Parks Conservation Association.

Mr. Bingham's distinguished career and his extensive executive leadership experience, serving as a chief executive officer, chief financial officer and director of large international corporations, provides the Board with the critical perspective of someone familiar with all facets of an international enterprise.

*Willy C. Shih, Ph.D.* (age 59) Dr. Shih has served as a member of our Board of Directors since January 2008. Dr. Shih is currently a Professor of Management Practice at the Harvard Business School, a position he has held since January 2007. Dr. Shih's broad industry career experience includes significant accomplishments for

globally-recognized organizations such as Kodak, IBM, Silicon Graphics and Thomson. From August 2005 to September 2006, Dr. Shih served as Executive Vice President of Thomson, a provider of digital video technologies. He was an intellectual property consultant from February to August 2005, and from 1997 to 2005 served as Senior Vice President of Eastman Kodak Company. Dr. Shih holds a Ph.D. in

## **Table of Contents**

Chemistry from the University of California, Berkeley and S.B. degrees in Chemistry and Life Sciences from the Massachusetts Institute of Technology. Dr. Shih also serves on the board of directors of Atheros Communications, Inc.

Dr. Shih's broad experience in the technology industry and with international corporations, as well as his current role at a premier educational institution, provide the Board with key perspectives relating to the Company's operations and ongoing initiatives. In addition, Dr. Shih's experience in teaching and consulting provide him with significant insight into strategic alternatives that are available to technology companies.

## **Directors Not Standing for Re-election**

*James A. Davidson* (age 51) Mr. Davidson has served as a member of our Board of Directors since March 2003. He is a Co-founder and Co-Chief Executive of Silver Lake, a private equity investment firm. Mr. Davidson also serves on the board of Avago Technologies Limited, a public company that specializes in analog, mixed-signal and optoelectronic components and subsystems, as well as a number of private companies. From 1990 to 1998, he was an investment banker with Hambrecht & Quist, most recently serving as Managing Director and Head of Technology Investment Banking. From 1984 to 1990, Mr. Davidson was a corporate and securities lawyer with Pillsbury, Madison & Sutro.

Mr. Davidson's depth of experience in financial and investment matters and his familiarity with a broad range of companies in the technology, technology-enabled, and related growth industries, as well as his legal background and expertise, enable him to provide invaluable experience to the Board in these areas.

*Robert L. Edwards* (age 54) Mr. Edwards has served as a member of our Board of Directors since October 2008. Mr. Edwards, executive vice president and chief financial officer of Safeway Inc., was appointed to his current position in March 2004, and previously was executive vice president and chief financial officer of Maxtor Corporation from September 2003 to March 2004. Prior to joining Maxtor, Mr. Edwards was an officer at Imation Corporation, a developer, manufacturer and supplier of magnetic and optical data storage media, where he held the position of senior vice president, chief financial officer and chief administrative officer from 1998 to 2003. Before joining Imation, Mr. Edwards had a successful 20-year career at Santa Fe Pacific Corporation, and held positions of increasing responsibility in the areas of finance, administration and corporate development.

Mr. Edwards's expertise in financial and accounting matters provides a critical skill-set and perspective in the diverse issues facing an international enterprise, most importantly in the areas relating to financial matters. Mr. Edwards also brings seasoned and diverse leadership in the storage and memory technologies sectors.

*Michael M. McNamara* (age 53) Mr. McNamara has served as a member of our Board of Directors since October 2005, and as our Chief Executive Officer, since January 1, 2006. Prior to his appointment as Chief Executive Officer, Mr. McNamara served as our Chief Operating Officer from January 2002 through January 2006, as President, Americas Operations from April 1997 to December 2001, and as Vice President, North American Operations from April 1994 to April 1997. Mr. McNamara also serves on the boards of MEMC Electronic Materials, Inc. and Delphi Automotive LLP, and is on the Advisory Board of Tsinghua University School of Economics and Management.

Mr. McNamara's long service with the company, extensive leadership and management experience in international operations and his service on other public company boards provide invaluable perspective to the Board. In addition, as the only management representative on our Board, Mr. McNamara provides management perspective in Board discussions about the business and strategic direction of our company.

*Daniel H. Schulman* (age 52) Mr. Schulman has served as a member of our Board of Directors since June 2009. Since November 2009, Mr. Schulman has served as the President of Sprint's Prepaid Group. Prior to that, he was Chief Executive Officer and Director for Virgin Mobile USA, a wireless service provider, which he joined in 2001. Mr. Schulman also served as the Chief Executive Officer of Priceline.com from June 1999 to May 2001. Prior to joining Priceline, Mr. Schulman served more than 18 years at AT&T. Mr. Schulman is a member of the board of directors of Symantec Corporation and the chair of its

## **Table of Contents**

compensation committee and also is a director of The Telx Group, Inc. Mr. Schulman also serves on the board of governors of Rutgers University, is a board member of Autism Speaks, and serves on the advisory committee for Greycroft Partners. He is also a member of the Compensation Chair Leadership Network, an organization comprised of twenty leading Fortune 1,000 Compensation Chairs that considers best practices in public company compensation practices.

Mr. Schulman has extensive senior management experience as both a chief executive officer and director, and he possesses the knowledge and expertise necessary to contribute an important viewpoint on a wide variety of governance and operational issues. Mr. Schulman's experience in the wireless and telecommunications sectors is particularly valuable to us as we continually enhance the competitive positioning of our segment offerings, such as those in infrastructure and mobile.

*Lip-Bu Tan* (age 50) Mr. Tan has served as a member of our Board of Directors since April 2003. Mr. Tan serves as President, Chief Executive Officer and a director of Cadence Design Systems, Inc. In 1987, he founded and since that time has served as Chairman of Walden International, a venture capital fund. He also serves on the boards of Semiconductor Manufacturing International Corporation and SINA Corporation, and on the board of directors of both the Electronic Design Automation Consortium (EDAC) and the Global Semiconductor Association (GSA).

Mr. Tan's extensive senior management, investment and director experiences provide key perspectives to the Board on a wide range of issues. In particular, as the founder and Chairman of an international venture capital firm and a director of a number of technology companies, Mr. Tan has extensive experience in the electronic design and semiconductor industries, as well as international operations and corporate governance expertise.

*William D. Watkins* (age 57) Mr. Watkins has served as a member of our Board of Directors since April 2009. Mr. Watkins was appointed Chief Executive Officer of Bridgelux, Inc., a US-based developer and manufacturer of solid state lighting and light-emitting diode (LED) technologies, in January 2010. He previously served as Seagate Technology's Chief Executive Officer from 2004 through January 2009, and previously served as Seagate's President and Chief Operating Officer from 2000 until 2004. During that time, he was responsible for Seagate's hard disc drive operations, including recording heads, media and other components, and related R&D and product development organizations. Mr. Watkins joined Seagate in 1996 with the company's merger with Conner Peripherals. Mr. Watkins currently serves on the boards of directors of Vertical Circuits Inc. and Maxim Integrated Products.

Mr. Watkins' operational expertise and broad experience in the technology industry and with international corporations, particularly with product development companies, provides critical insight and perspective relating to the company's customer base.

**The Board recommends a vote FOR  
the re-election of Mr. Bingham and Dr. Shih  
to our Board of Directors.**

## **CORPORATE GOVERNANCE**

### **Code of Business Conduct and Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees. The Code of Business Conduct and Ethics, which we refer to as the Code, is available on the Corporate Governance page of our website at [www.flextronics.com](http://www.flextronics.com). In accordance with SEC rules, we intend to disclose on the Corporate Governance page of our website any amendment (other than technical, administrative or other non-substantive amendments) to or any material waiver from, a provision of the Code that applies to our principal executive officer,

principal financial officer, principal accounting officer, controller or persons performing similar functions.

## **Table of Contents**

### **Director Retirement Age**

Under Section 153(2) of the Companies Act, the office of a director of a public company or of a subsidiary of a public company becomes vacant at the conclusion of the next annual general meeting commencing after such director attains the age of 70 years. However, under Section 153(6) of the Companies Act, a person 70 years old or older may, by ordinary resolution be appointed or re-appointed as a director of that company, or be authorized to continue in office as a director of that company, to hold office until the next annual general meeting of shareholders.

### **Shareholder Communications with our Board of Directors**

Our shareholders may communicate with our Board of Directors by sending an e-mail to [Board@flextronics.com](mailto:Board@flextronics.com). All e-mails received will be sent to the Chairman of the Board and the Chief Financial Officer and/or Senior Vice President, Finance. The e-mail correspondence is regularly reviewed and summaries are provided to the full Board.

### **Board of Directors**

Our Articles of Association give our Board of Directors general powers to manage our business. The Board oversees and provides policy guidance on our strategic and business planning processes, oversees the conduct of our business by senior management and is principally responsible for the succession planning for our key executives, including our Chief Executive Officer.

Our Board of Directors held a total of ten meetings during fiscal year 2010, of which five were regularly scheduled meetings and five were special meetings. During the period for which each current director was a director or a committee member, each director attended at least 75% of the aggregate of the total number of meetings of our Board in fiscal 2010 together with the total number of meetings held by all committees of our Board on which he served. During fiscal year 2010, our non-employee directors met at regularly scheduled executive sessions without management participation.

Our Board has adopted a policy that encourages each director to attend the annual general meeting, but attendance is not required. Mr. McNamara attended the company's 2009 annual general meeting.

### **Director Independence**

To assist our Board of Directors in determining the independence of our directors, the Board has adopted Director Independence Guidelines that incorporate the definition of independence adopted by The NASDAQ Stock Market LLC, which we refer to below as Nasdaq. Our Board has determined that each of the company's directors, other than Mr. McNamara, is an independent director as defined by the applicable rules of Nasdaq and our Director Independence Guidelines. Our Board also determined that Messrs. Rockwell A. Schnabel and Ajay B. Shah, who served as directors during part of our last fiscal year, qualified as independent directors. Under the Nasdaq definition and our Director Independence Guidelines, a director is independent only if the Board determines that the director does not have any relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In addition, under the Nasdaq definition and our Director Independence Guidelines, a director will not be independent if the director has certain disqualifying relationships. In evaluating independence, the Board broadly considers all relevant facts and circumstances. Our Director Independence Guidelines are included in our Guidelines with Regard to Certain Governance Matters, a copy of which is available on the Corporate Governance page of our website at [www.flextronics.com](http://www.flextronics.com).

In evaluating the independence of our independent directors, the Board considered certain transactions, relationships and arrangements between us and various third parties with which certain of our independent directors are affiliated,

and determined that such transactions, relationships and arrangements did not interfere with such directors' exercise of independent judgment in carrying out their responsibilities as directors. In addition to the information set forth under the section entitled ***Certain Relationships and Related Person***



**Table of Contents**

***Transactions with Related Persons*** beginning on page 74 of this joint proxy statement, these transactions, relationships and arrangements were as follows:

Mr. H. Raymond Bingham, the Chairman of our Board of Directors, is a non-management director of STMicroelectronics N.V. and a non-management director of Oracle Corporation (of which Mr. Bingham owns less than 1%), each of which was a supplier of our company during the most recent fiscal year. In addition, Mr. Bingham is an Advisory Director of General Atlantic LLC, a private equity firm. In connection with his position as Advisory Director of General Atlantic LLC, Mr. Bingham is a non-management director and/or indirect beneficial owner of certain portfolio companies of General Atlantic LLC, which are customers and/or suppliers of our company. Sales to or purchases from each of these other organizations were made in the ordinary course of business and amounted to less than the greater of \$1,000,000 or 2% of the recipient company's gross revenues during the most recent fiscal year.

Mr. James A. Davidson, a member of our Board of Directors, is a Co-founder and Co-Chief Executive Officer of Silver Lake, a private equity investment firm, and in connection with his position as managing director, Mr. Davidson is a non-management director and/or indirect beneficial owner of certain portfolio companies of affiliated funds of Silver Lake, which are customers and/or suppliers of our company. Sales to or purchases from each of these other organizations were made in the ordinary course of business and amounted to less than the greater of \$1,000,000 or 2% of the recipient company's gross revenues during the most recent fiscal year, except that purchases from Avago Technologies Limited accounted for approximately 3.5% of the gross revenues of Avago during the most recent fiscal year.

Mr. Daniel H. Schulman, a member of our Board of Directors, is a non-management director of Symantec Corporation, which was one of our suppliers during the most recent fiscal year. Purchases from Symantec were made in the ordinary course of business and amounted to less than the greater of \$1,000,000 or 2% of Symantec's gross revenues during the most recent fiscal year.

Mr. Ajay Shah, who served as a member of our Board of Directors during the 2010 fiscal year and retired following our 2009 annual general meeting, is the Managing Partner of Shah Capital Partners, L.P., a technology focused private equity firm, and Manager of Shah Management LLC, a related entity. In connection with his position as Managing Partner of Shah Capital Partners and Manager of Shah Management LLC, Mr. Shah is a non-management director and/or indirect beneficial owner of certain portfolio companies of Shah Capital Partners and Shah Management LLC, which are customers and/or suppliers of our company. Sales to or purchases from each of these other organizations were made in the ordinary course of business and amounted to less than the greater of \$1,000,000 or 2% of the recipient company's gross revenues during the most recent fiscal year, except that purchases from Smart Modular Technologies accounted for approximately 28.5% of the gross revenues for Smart Modular during the most recent fiscal year. In the case of purchases from Smart Modular Technologies, pursuant to arrangements with certain of our customers, substantially all of the purchases were made at the direction of such customers. Mr. Shah is also a Managing Director of Silver Lake Sumeru, a private equity fund within Silver Lake.

Dr. Willy Shih, a member of our Board of Directors, is a non-management director of Atheros Communications, which is one of our suppliers. Purchases from Atheros Communications were made in the ordinary course of business and amounted to less than the greater of \$1,000,000 or 2% of Atheros's gross revenues during the most recent fiscal year.

Mr. Lip-Bu Tan, a member of our Board of Directors, is the CEO, president and director of Cadence Design Systems, which is one of our customers. He is also the founder and Chairman of Walden International, a venture capital fund. In connection with his position as Chairman of Walden International, Mr. Tan is a non-management director/observer and/or

## **Table of Contents**

indirect beneficial owner of certain portfolio companies of Walden International, which are customers and/or suppliers of our company. Sales to or purchases from each of these other organizations were made in the ordinary course of business and amounted to less than the greater of \$1,000,000 or 2% of the recipient company's gross revenues during the most recent fiscal year, except that purchases from Multiplex, Inc. accounted for approximately 11.3% of the gross revenues for Multiplex during the most recent fiscal year and purchases from Aptina Imaging Corp. accounted for approximately 5.6% of the gross revenues for Aptina during the most recent fiscal year. Substantially all of the purchases from Multiplex and Aptina were made at the direction of certain of our customers.

Mr. William D. Watkins, a member of our Board of Directors, is the former chief executive officer of Seagate Technologies and a non-management director of Maxim Integrated Products, Inc., both of which are suppliers of our company. Sales to or purchases from each of these other organizations were made in the ordinary course of business and amounted to less than the greater of \$1,000,000 or 2% of the recipient company's gross revenues during the most recent fiscal year.

## **Board Leadership Structure and Role in Risk Oversight**

Our Board of Directors currently consists of eight directors, each of whom, other than Mr. McNamara, is independent under the company's Director Independence Guidelines and the applicable rules of Nasdaq. Mr. McNamara has served as our CEO since January 1, 2006 and as a member of our Board of Directors since October 2005. Mr. Bingham, who is an independent director, has served as our Chairman of the Board since January 2008. The Board has separated the roles of Chairman and CEO since 2003.

Our Board of Directors believes that the most effective Board leadership structure for the company at the present time is for the roles of CEO and Chairman of the Board to be separated, and for the Chairman of the Board to be an independent director. Under this structure, our CEO is generally responsible for setting the strategic direction for the company and for providing the day-to-day leadership over the company's operations, while the Chairman of the Board provides guidance to the CEO, sets the agenda for meetings of the Board and presides over Board meetings. Our Board of Directors believes that having an independent Chairman set the agenda and establish the priorities and procedures for the work of the Board provides a greater role for the independent directors in the oversight of the company, and also provides the continuity of Board leadership necessary for the Board to fulfill its responsibilities. This leadership structure is supplemented by the fact that all of our directors, other than Mr. McNamara, are independent and all of the committees of the Board are composed solely of, and chaired by, independent directors. In addition, our non-employee directors meet at regularly scheduled executive sessions without management participation. The Board retains the authority to modify this leadership structure as and when appropriate to best address the company's unique circumstances at any given time and to serve the best interests of our shareholders.

Our Board of Directors' role in risk oversight involves both the full Board of Directors and its committees. The Audit Committee is charged with the primary role in carrying out risk oversight responsibilities on behalf of the Board. Pursuant to its Charter, the Audit Committee reviews the company's policies and practices with respect to risk assessment and risk management, including discussing with management the company's major risk exposures and the steps that have been taken to monitor and mitigate such exposures. The company's enterprise risk management process is designed to identify risks that could affect the company's achievement of business goals and strategies, to assess the likelihood and potential impact of significant risks on the company's business, and to prioritize risk control and mitigation. Our Chief Financial Officer, and our General Counsel / Chief Compliance Officer periodically report on the Company's risk management policies and practices to relevant Board committees and to the full Board. The Audit Committee reviews the company's major financial risk exposures as well as major operational, compliance, reputational and strategic risks, including steps to monitor, manage and mitigate those risks. In addition, each of the

other Board committees is responsible for oversight of risk management practices for categories of risks relevant to their functions. For example, the Compensation Committee has oversight responsibility for the company's overall compensation structure, including review of its compensation practices, with a view to assessing associated risk.

**Table of Contents**

See *Compensation Discussion and Analysis Compensation Risk Assessment*. The Board as a group is regularly updated on specific risks in the course of its review of corporate strategy, business plans and reports to the Board by its respective committees. The Board believes that its leadership structure supports its risk oversight function by providing a greater role for the independent directors in the oversight of the company.

**Board Committees**

The standing committees of our Board of Directors are the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The table below provides current membership for each of these committees.

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
H. Raymond Bingham			X*
James A. Davidson		X	
Robert L. Edwards	X*		X
Daniel H. Schulman		X*	
Willy C. Shih			X
Lip-Bu Tan	X		
William D. Watkins	X		

\* Committee Chair

***Audit Committee***

The Audit Committee of the Board of Directors is currently composed of Messrs. Edwards, Tan and Watkins, each of whom the Board has determined to be independent and to meet the financial experience requirements under both the rules of the SEC and the listing standards of the NASDAQ Global Select Market. The Board has also determined that Mr. Edwards is an audit committee financial expert within the meaning of the rules of the SEC and is financially sophisticated within the meaning of the rules of Nasdaq. The Audit Committee held six meetings during fiscal year 2010 and regularly meets in executive sessions without management present. The committee's principal functions are to:

monitor and evaluate periodic reviews of the adequacy of the accounting and financial reporting processes and systems of internal control that are conducted by our financial and senior management, and our independent auditors;

be directly responsible for the appointment, compensation and oversight of the work of our independent auditors (including resolution of any disagreements between our management and the auditors regarding financial reporting); and

facilitate communication among our independent auditors, our financial and senior management and our Board.

Our Board has adopted an Audit Committee Charter that is available on the Corporate Governance page of our website at [www.flextronics.com](http://www.flextronics.com).

***Compensation Committee***

*Responsibilities and Meetings*

The Compensation Committee of our Board of Directors is responsible for reviewing and approving the goals and objectives relating to, and recommending to our Board the compensation of, our Chief Executive Officer and all other executive officers. The committee also oversees management's decisions concerning the performance and compensation of other officers, administers the company's equity compensation plans, reviews and recommends to our Board the compensation of our non-employee directors and regularly evaluates the effectiveness

## **Table of Contents**

of our overall executive compensation program. The Compensation Committee is currently composed of Messrs. Davidson and Schulman, each of whom our Board has determined to be an independent director under applicable listing standards of the NASDAQ Global Select Market. The committee held eleven meetings during fiscal year 2010 and regularly meets in executive sessions without management present. The specific powers and responsibilities of the Compensation Committee are set forth in more detail in the Compensation Committee Charter, which is available on the Corporate Governance page of our website at [www.flextronics.com](http://www.flextronics.com).

### *Delegation of Authority*

When appropriate, our Compensation Committee may form, and delegate authority to, subcommittees. In addition, in accordance with the company's equity compensation plans, the Compensation Committee's charter allows the committee to delegate to our Chief Executive Officer its authority to grant stock options to employees of the company who are not directors or executive officers. Pursuant to the Compensation Committee's Equity Compensation Grant Policy, however, all grants of equity awards (including stock options and share bonus awards) must be approved by the Board of Directors or the committee.

### *Compensation Processes and Procedures*

The Compensation Committee makes all compensation decisions for our executive officers. As part of its process, the Compensation Committee meets with our Chief Executive Officer, Chief Financial Officer, Executive Vice President, Worldwide Human Resources and Management Systems and our Vice President, Global Compensation and Benefits to obtain recommendations with respect to the structure of our compensation programs, as well as an assessment of the performance of individual executives and recommendations on compensation for individual executives. In addition, the committee has the authority to retain and terminate any third-party compensation consultant and to obtain advice and assistance from internal and external legal, accounting and other advisors. During our 2010 fiscal year, the Compensation Committee engaged Radford Consulting (referred to in this discussion as Radford) as its independent adviser for certain executive compensation matters. Radford was retained by the Compensation Committee to provide an independent review of the company's executive compensation programs, including an analysis of both the competitive market and the design of the programs. More specifically, Radford furnished the Compensation Committee with reports on peer company practices relating to the following matters: short and long-term compensation program design; annual share utilization and shareowner dilution levels resulting from equity plans; executive stock ownership and retention values; stock ownership guidelines; and incentive compensation recoupment policies. As part of its reports to the Compensation Committee, Radford evaluated our peer companies, and provided competitive compensation data and analysis relating to the compensation of our Chief Executive Officer and our other executives and senior officers. Radford also assisted the company with its risk assessment of our compensation programs.

The Compensation Committee relied on input from Radford in evaluating management's recommendations and arriving at the Committee's recommendations to the Board with respect to the elements of compensation discussed below under ***Compensation Discussion and Analysis***. The Compensation Committee expects that it will continue to retain a compensation consultant on future executive compensation matters.

The Compensation Committee also reviews and makes recommendations to our Board for the compensation of our non-employee directors. To assist the Compensation Committee in its annual review of director compensation, our management provides director compensation data compiled from the annual reports and proxy statements of companies in our peer comparison group. In addition, in July 2009, the Compensation Committee retained Radford to assist the committee in its review of our non-employee director compensation program. This review was conducted to establish whether the compensation paid to our non-employee directors was competitive when compared to the practices of our peer group of companies. The Compensation Committee reviewed, among other things, the existing

cash compensation of our non-employee directors, the grant date fair value of options and share bonus awards, the total compensation of our non-employee Chairman of the Board and the aggregate number of our ordinary shares held by each of our non-employee directors. The Compensation Committee, with the assistance of Radford, also took into



**Table of Contents**

consideration compensation trends for outside directors and the recent implementation of new share ownership guidelines for non-employee directors. Based on Radford's review and analysis of the compensation practices of our peer group, our Board of Directors, upon the recommendation of the Compensation Committee, approved changes in our non-employee director compensation program, which are discussed in the section below captioned Non-Management Directors' Compensation for Fiscal Year 2010.

*Relationship with Compensation Consultant*

In addition to serving as compensation consultant to the Compensation Committee in fiscal year 2010 with respect to the compensation of our executive officers and non-employee directors, Radford and its affiliates have provided other services to our management and to the Compensation Committee. Radford's fees in connection with providing consulting services with respect to the compensation of our executive officers and non-employee directors in fiscal year 2010 were \$132,000.

Radford is a division of Aon Corporation. During our 2010 fiscal year, Aon Corporation and its affiliates, which we refer to collectively as Aon, were retained by the company to provide services unrelated to executive and director compensation matters, relating to global employee benefits services, property insurance and risk services. The decision to engage Aon for these other services was made by management, other than with respect to services relating to an option exchange program offer made in 2009 where Radford was retained by the Compensation Committee to provide consulting services. Although aware of such other services, our Compensation Committee did not review or approve such other services provided by Aon, which services were approved by management in the ordinary course of business. The aggregate fees paid for those other services in fiscal 2010 were approximately \$1,314,500.

Our Compensation Committee has determined that the provision by Aon of services unrelated to executive and director compensation matters in fiscal year 2010 were compatible with maintaining the objectivity of Radford in its role as compensation consultant to the committee and that the consulting advice it received from Radford was not influenced by Aon's other relationships with the company. The Compensation Committee is sensitive to the concern that the services provided by Aon, and the related fees, could impair the objectivity and independence of Radford, and the committee believes that it is important that objectivity be maintained. However, the committee also recognizes that the services provided by Aon are valuable to the company and that it could be inefficient and not in the company's interest to use a separate firm to provide those services at this time. In addition, the Compensation Committee has confirmed that Radford and Aon maintain appropriate safeguards to assure that the consulting services provided by Radford are not influenced by the company's business relationship with Aon.

*Compensation Committee Interlocks and Insider Participation*

During our 2010 fiscal year, Messrs. Davidson, Schulman and Schnabel served as members of the Compensation Committee. Mr. Schnabel resigned from the Compensation Committee effective September 22, 2009. Mr. Davidson served as chairman of the Compensation Committee during fiscal year 2010. On May 26, 2010, Mr. Schulman was appointed as the chair of the Compensation Committee. None of our executive officers served on the Compensation Committee during our 2010 fiscal year. None of our directors has interlocking or other relationships with other boards, compensation committees or our executive officers that require disclosure under Item 407(e)(4) of Regulation S-K.

In March 2003, we issued \$195.0 million aggregate principal amount of our Zero Coupon Convertible Junior Subordinated Notes due 2008 to funds affiliated with Silver Lake. In connection with the issuance of the notes, we appointed James A. Davidson, a co-founder and managing director of Silver Lake, to our Board of Directors. In July 2006, we entered into an agreement with the Silver Lake note holders to, among other things (i) extend the maturity date of the notes to July 31, 2009 and (ii) provide for net share settlement of the notes upon maturity. The terms of the transaction were based on arms-length negotiations between us and Silver Lake, and were approved by our Board of

Directors as well as by the Audit Committee of our Board of Directors. On July 31, 2009, we paid \$195.0 million to pay off the notes at their maturity.

## **Table of Contents**

### ***Nominating and Corporate Governance Committee***

Our Nominating and Corporate Governance Committee currently is currently composed of Messrs. Bingham, Edwards and Shih, each of whom our Board has determined to be an independent director under the applicable listing standards of Nasdaq. The Nominating and Corporate Governance Committee held five meetings during fiscal year 2010 and regularly meets in executive sessions without management present. The committee recruits, evaluates and recommends candidates for appointment or election as members of our Board. The committee also recommends corporate governance guidelines to the Board and oversees the Board's annual self-evaluation process. Our Board has adopted a Nominating and Corporate Governance Committee Charter that is available on the Corporate Governance page of our website at [www.flextronics.com](http://www.flextronics.com). In 2010, the committee's responsibilities were expanded to include shaping and overseeing the application of the company's corporate governance policies and procedures and overseeing any Board communications with shareholders.

The goal of the Nominating and Corporate Governance Committee is to ensure that our Board possesses a variety of perspectives and skills derived from high-quality business and professional experience. The committee seeks to achieve a balance and diversity of knowledge, experience and capability on our Board, while maintaining a sense of collegiality and cooperation that is conducive to a productive working relationship within the Board and between the Board and management. In addition, the committee seeks nominees with the highest professional and personal ethics and values, an understanding of our business and industry, a high level of education, broad-based business acumen, and the ability to think strategically. Although the committee uses these and other criteria to evaluate potential nominees, we have no stated minimum criteria for nominees. The committee does not have different standards for evaluating nominees depending on whether they are proposed by our directors and management or by our shareholders.

The Nominating and Corporate Governance Committee generally recruits, evaluates and recommends nominees for our Board based upon recommendations by our directors and management. The committee will also consider recommendations submitted by our shareholders. Shareholders can recommend qualified candidates for our Board to the Nominating and Corporate Governance Committee by submitting recommendations to our corporate secretary at Flextronics International Ltd., 2 Changi South Lane, Singapore 486123. Submissions that are received and meet the criteria outlined above will be forwarded to the Nominating and Corporate Governance Committee for review and consideration. Shareholder recommendations for our 2011 annual general meeting should be made not later than February 9, 2011 to ensure adequate time for meaningful consideration by the Nominating and Corporate Governance Committee. To date, we have not received any such recommendations from our shareholders.

### **Director Share Ownership Guidelines**

At the recommendation of the Compensation Committee, our Board of Directors adopted share ownership guidelines for non-employee directors in July 2009 in connection with its review of our non-employee directors' compensation. The ownership guidelines encourage our non-employees directors to hold a minimum number of our ordinary shares equivalent to \$225,000 in value. The guidelines encourage our non-employee directors to reach this goal within five years of the date that the Board approved the guidelines or the date of their election to our Board of Directors, whichever is later, and to hold at least such minimum value in shares for as long as he or she serves on our Board.

### **NON-MANAGEMENT DIRECTORS' COMPENSATION FOR FISCAL YEAR 2010**

The key objective of our non-employee directors' compensation program is to attract and retain highly qualified directors with the necessary skills, experience and character to oversee our management. By using a combination of cash and equity-based compensation, the compensation program is designed to recognize the time commitment, expertise and potential liability relating to active Board service, while aligning the interests of our Board of Directors

with the long-term interests of our shareholders. In accordance with the policy of our Board of Directors, we do not pay management directors for Board service in addition to their regular employee compensation. For a discussion of the compensation paid to Mr. McNamara, our only management director, for services provided as our CEO, see the section of this joint proxy statement entitled *Executive Compensation*.

**Table of Contents**

In addition to the compensation provided to our non-employee directors, which is detailed below, each non-employee director is reimbursed for any reasonable out-of-pocket expenses incurred in connection with attending in-person meetings of the Board of Directors and Board committees, as well for any fees incurred in attending continuing education courses for directors.

**Fiscal Year 2010 Annual Cash Compensation**

Under the Companies Act, we may only provide cash compensation to our non-employee directors for services rendered in their capacity as directors with the prior approval of our shareholders at a general meeting. Our shareholders approved the current cash compensation arrangements for our non-employee directors at our 2009 annual general meeting. The current arrangements include the following compensation:

annual cash compensation of \$75,000, payable quarterly in arrears to each non-employee director for services rendered as a director;

additional annual cash compensation of \$100,000, payable quarterly in arrears to the Chairman of the Board of Directors for services rendered as Chairman of the Board;

additional annual cash compensation of \$50,000, payable quarterly in arrears to the Chairman of the Audit Committee of the Board of Directors for services rendered as Chairman of the Audit Committee and for participation on the committee;

additional annual cash compensation of \$15,000, payable quarterly in arrears to each other non-employee director who serves on the Audit Committee for participation on the committee;

additional annual cash compensation of \$25,000, payable quarterly in arrears to the Chairman of the Compensation Committee for services rendered as Chairman of the Compensation Committee and for participation on the committee;

additional annual cash compensation of \$10,000, payable quarterly in arrears to each other non-employee director who serves on the Compensation Committee for participation on the committee;

additional annual cash compensation of \$10,000, payable quarterly in arrears to the Chairman of the Nominating and Corporate Governance Committee for services rendered as Chairman of the Nominating and Corporate Governance Committee and for participation on the committee; and

additional annual cash compensation of \$5,000 payable quarterly in arrears to each of our non-employee directors for participation on each standing committee other than the Audit Committee and the Compensation Committee (which is currently limited to the Nominating and Corporate Governance Committee).

Non-employee directors do not receive any non-equity incentive compensation, or participate in any pension plan or deferred compensation plan.

The foregoing summary of our non-employee director cash compensation program reflects the following changes to the program, which were approved by the Board and our shareholders effective as of September 22, 2009, the date of our 2009 annual general meeting: (i) an increase from \$60,000 to \$75,000 with respect to the annual cash compensation payable to each of the company's non-employee directors for services rendered as a director; (ii) the

provision of additional annual cash consideration of \$100,000 to the non-employee Chairman of the Board for services rendered as Chairman of the Board in lieu of one-half of the annual share bonus award that was previously provided to our Chairman of the Board; and (iii) an increase from \$5,000 to \$10,000 with respect to the annual cash compensation payable to the members of the Compensation Committee (other than the Chairman of the Compensation Committee) for participation on the committee.

## **Table of Contents**

### **Fiscal Year 2010 Equity Compensation**

#### ***Initial Awards***

Prior to July 22, 2009, upon becoming a director of the company, each non-employee director received a one-time grant of stock options to purchase 25,000 ordinary shares under the automatic option grant provisions of our 2001 Equity Incentive Plan, which we refer to in this joint proxy statement as the 2001 Plan. These options vested and were exercisable as to 25% of the shares on the first anniversary of the grant date and in 36 equal monthly installments thereafter. The options have an expiration date of five years from the date of grant. Messrs. Daniel H. Schulman and William D. Watkins each received stock options to purchase 25,000 ordinary shares under this program on June 18, 2009 and April 14, 2009, respectively.

On July 22, 2009, our Board of Directors replaced the initial option grant with a pro-rated share of the revised yearly share bonus award, which is discussed below. The pro-rated award will vest on the date immediately prior to the date of our next annual general meeting and will be based on the amount of time that the director serves on the Board until such date. No director received any share bonus awards under this program in fiscal year 2010.

#### ***Yearly Share Bonus Awards***

Under the terms of the discretionary share bonus grant provisions of the 2001 Plan and as approved by our Compensation Committee, each non-employee director receives, following each annual general meeting of the company, a yearly share bonus award consisting of such number of shares having an aggregate fair market value of \$125,000 on the date of grant, which share bonus awards vest in full on the date immediately prior to the date of the next year's annual general meeting. During fiscal year 2010, each non-employee director received a share bonus award of 16,622 ordinary shares under this program.

On July 22, 2009, our Board of Directors modified the terms of the yearly share bonus awards granted to our non-employee directors, which previously were fully vested at grant and served as compensation for past service on the Board. In addition, the old yearly share bonus awards consisted of such number of shares having an aggregate fair market value of only \$100,000 on the date of grant. As described above, the new yearly share bonus awards granted to our non-employee directors are subject to a vesting requirement and serve as compensation for future service during the vesting period of the award. The foregoing changes were effective as of the date of the 2009 annual general meeting and did not affect compensation payable with respect to prior service. Therefore, in addition to share bonus awards received by our non-employee directors under the new yearly share bonus award program, following our 2009 annual general meeting, our non-employee directors also received the yearly share bonus awards payable with respect to their service on the Board since the date of the 2008 annual general meeting. Each non-employee director received a share bonus award of 13,298 ordinary shares under the previous program during fiscal year 2010.

#### ***Discretionary Grants***

Under the terms of the discretionary option grant provisions of the 2001 Plan, non-employee directors are eligible to receive stock options granted at the discretion of the Compensation Committee. No director received stock options pursuant to the discretionary grant program during fiscal year 2010. The maximum number of ordinary shares that may be subject to awards granted to each non-employee director under the 2001 Plan is 100,000 ordinary shares in each calendar year.

### **Compensation for the Non-Employee Chairman of the Board**

On July 22, 2009, our Board of Directors, at the recommendation of the Compensation Committee, approved changes to the cash and equity compensation payable to our non-executive Chairman. Our shareholders approved the changes to the Chairman's cash compensation at the 2009 annual general meeting. Following those changes, our non-executive Chairman is entitled to receive, following each annual general meeting of the Company, (i) \$100,000 in cash compensation, payable quarterly in arrears, and (ii) a yearly share bonus award that consists of such number of shares having an aggregate fair market value of \$100,000



**Table of Contents**

on the date of grant, which vests on the date immediately prior to the date of the next year's annual general meeting. Our Chairman of the Board is also eligible to receive all other compensation payable to our non-employee directors, other than cash compensation payable for service on any Board committees.

The foregoing changes were effective as of the date of our 2009 annual general meeting. Prior to such date, our non-executive Chairman was entitled to receive, following each annual general meeting of the company, a yearly share bonus award that was fully vested on the date of grant and consisted of such number of shares having an aggregate fair market value of \$200,000 on the grant date. The non-executive Chairman was also entitled to continue to receive cash compensation for service as chairman of the Audit Committee if appointed to such position, but otherwise was not eligible to receive cash compensation for service on any Board committees. Our Chairman was eligible for all other compensation payable to our non-employee directors.

Following the 2009 annual general meeting, our non-employee Chairman of the Board received 26,595 ordinary shares, which vested immediately, with respect to his service as our Chairman since the date of the 2008 annual general meeting and 13,298 ordinary shares, which will vest on the date immediately prior to the date of our 2010 annual general meeting, with respect to his service as our Chairman from the date of the 2009 annual general meeting to the date of the 2010 annual general meeting.

**Director Summary Compensation in Fiscal Year 2010**

The following table sets forth the fiscal year 2010 compensation for our non-employee directors. As discussed above, our Board approved certain changes for non-employee director compensation effective July 2009, and our shareholders approved changes for the cash compensation payable to our non-employee directors on September 22, 2009, at our 2009 annual general meeting. As a result, the compensation described below includes (i) share bonus awards granted with respect to past service on the Board from the 2008 annual general meeting to the 2009 annual general meeting and (ii) share bonus awards granted with respect to future service on the Board during the vesting term of the awards (from the 2009 annual general meeting until the 2010 annual general meeting).

Name	Fees Earned or		Option Awards	Total
	Paid in Cash	Stock Awards		
	(\$ (1))	(\$ (2))	(\$ (3))	(\$)
H. Raymond Bingham	\$ 126,576	\$ 525,000	\$	\$ 651,576
James A. Davidson	\$ 92,826	\$ 225,000	\$	\$ 317,826
Robert L. Edwards	\$ 116,217	\$ 225,000	\$	\$ 341,217
Rockwell A. Schnabel*	\$ 35,859	\$ 100,000	\$	\$ 135,859
Daniel H. Schulman	\$ 61,945	\$ 225,000	\$ 54,250	\$ 341,195
Ajay B. Shah*	\$ 35,869	\$ 100,000	\$	\$ 135,869
Willy C. Shih, Ph.D.	\$ 72,826	\$ 225,000	\$	\$ 297,826
Lip-Bu Tan	\$ 82,825	\$ 225,000	\$	\$ 307,825
William D. Watkins	\$ 80,143	\$ 225,000	\$ 42,250	\$ 347,393

==

\* Mr. Schnabel and Mr. Shah retired from our Board of Directors on September 22, 2009, immediately following our 2009 annual general meeting of shareholders.

- (1) This column represents the amount of cash compensation earned in fiscal year 2010 for Board and committee service.
- (2) This column represents the grant date fair value of share bonus awards granted in fiscal year 2010 in accordance with FASB ASC Topic 718. The grant date fair value of share bonus awards is the closing price of our ordinary shares on the date of grant.

**Table of Contents**

- (3) This column represents the grant date fair value of stock options granted in fiscal year 2010 in accordance with FASB ASC Topic 718. We made initial option grants of 25,000 options to Messrs. Watkins and Schulman at the time they became non-employee directors of the company in April 2009 and June 2009, respectively. The fair value of their initial stock options were \$1.69 and \$2.17, respectively, per option on the grant dates. Information regarding the assumptions made in calculating the amounts reflected in this column for grants made in fiscal year 2010 is included in the section entitled Stock-Based Compensation under Note 2 to our audited consolidated financial statements for the fiscal year ended March 31, 2010, included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2010.

The table below shows the aggregate number of ordinary shares underlying stock options and unvested share bonus awards held by our non-employee directors as of the 2010 fiscal year-end:

<b>Name</b>	<b>Number of Ordinary Shares Underlying Outstanding Stock Options (#)</b>	<b>Number of Ordinary Shares Underlying Outstanding Share Bonus Awards (#)</b>
H. Raymond Bingham	62,500	29,920
James A. Davidson	75,000	16,622
Robert L. Edwards	25,000	16,622
Rockwell A. Schnabel		
Daniel H. Schulman*	25,000	16,622
Ajay B. Shah		
Willy C. Shih, Ph.D.	37,500	16,622
Lip-Bu Tan	75,000	16,622
William D. Watkins*	25,000	16,622

\* Mr. Watkins was appointed to our Board of Directors on April 14, 2009. Mr. Schulman was appointed to our Board of Directors on June 18, 2009.

### **Change of Control and Termination Provisions of the 2001 Plan**

Under the terms of the 2001 Plan, if a director ceases to provide services to the company for any reason other than death, cause (as defined in the plan) or disability (as defined in the plan), then the director may exercise any options which have vested by the date of such termination within three months of the termination date or such other period not exceeding five years or the term of the option, as determined by the Compensation Committee. If a director ceases to provide services to the company because of death or disability, then the director may exercise any options which have vested by the date of such termination within 12 months of the termination date or such other period not exceeding five years or the term of the option, as determined by the Compensation Committee. All stock options held by a director who is terminated for cause expire on the termination date, unless otherwise determined by the Compensation Committee. In addition, subject to any waiver by the Compensation Committee, all unvested share bonus awards held by a director will be forfeited if he or she ceases to provide services to the company for any reason.

Except for grants made under the automatic option grant program, in the event of a dissolution or liquidation of the company or if we are acquired by merger or asset sale or in the event of other change of control events, each outstanding stock option and unvested share bonus award shall automatically accelerate so that each such award shall, immediately prior to the effective date of such transaction, become fully vested with respect to the total number of shares then subject to such award. However, subject to the specific terms of a given award, vesting shall not so accelerate if, and to the extent, such award is either to be assumed or replaced with a comparable right covering shares of the capital stock of the successor corporation or parent thereof or is replaced with a cash incentive program of the successor corporation which preserves the inherent value existing at the time of such transaction.

**Table of Contents**

For grants made under the automatic option grant program, in the event of a change of control transaction described above, each outstanding option will accelerate so that each such option shall, prior to the effective date of such transaction at such times and with such conditions as determined by the Compensation Committee, (i) become fully vested with respect to the total number of shares then subject to such award and (ii) remain exercisable for a period of three months following the consummation of the change of control transaction. However, in the event of a hostile take-over of the company pursuant to a tender or exchange offer, the director has a right to surrender each option, which has been held by him or her for at least six months, in return for a cash distribution by the company in an amount equal to the excess of (a) the take-over price per share over (b) the exercise price payable for such share.

**PROPOSAL NO. 2:  
RE-APPOINTMENT OF INDEPENDENT AUDITORS FOR FISCAL YEAR 2011 AND  
AUTHORIZATION OF OUR BOARD TO FIX THEIR REMUNERATION**

Our Audit Committee has approved, subject to shareholder approval, the re-appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm to audit our accounts and records for the fiscal year ending March 31, 2011, and to perform other appropriate services. In addition, pursuant to Section 205(16) of the Singapore Companies Act, Cap. 50, our Board of Directors is requesting that the shareholders authorize the directors, upon the recommendation of the Audit Committee, to fix the auditors' remuneration for services rendered through the next annual general meeting. We expect that a representative from Deloitte & Touche LLP will be present at the 2010 annual general meeting. This representative will have the opportunity to make a statement if he or she so desires and is expected to be available to respond to appropriate questions.

**Principal Accountant Fees and Services**

Set forth below are the aggregate fees billed by our principal accounting firm, Deloitte & Touche LLP, a member firm of Deloitte Touche Tohmatsu, and their respective affiliates for services performed during fiscal years 2010 and 2009. All audit and permissible non-audit services reflected in the fees below were pre-approved by the Audit Committee in accordance with established procedures.

	<b>Fiscal Year</b>	
	<b>2010</b>	<b>2009</b>
	<b>(in millions)</b>	
Audit Fees	\$ 7.4	\$ 10.0
Audit-Related Fees		
Tax Fees	2.5	3.1
All Other Fees		
Total	\$ 9.9	\$ 13.1

*Audit Fees* consist of fees for professional services rendered by our independent registered public accounting firm for the audit of our annual consolidated financial statements included in our Annual Report on Form 10-K (including

services incurred with rendering an opinion under Section 404 of the Sarbanes-Oxley Act of 2002) and the review of our consolidated financial statements included in our Quarterly Reports on Form 10-Q. These fees include fees for services that are normally incurred in connection with statutory and regulatory filings or engagements, such as comfort letters, statutory audits, consents and the review of documents filed with the SEC.

*Audit-Related Fees* consist of fees for assurance and related services by our independent registered public accounting firm that are reasonably related to the performance of the audit or review of our consolidated financial statements and not included in Audit Fees. We did not incur fees under this category during fiscal years 2010 or 2009.

**Table of Contents**

*Tax Fees* consist of fees for professional services rendered by our independent registered public accounting firm for tax compliance, tax advice, and tax planning services. These services include assistance regarding federal, state and international tax compliance, return preparation, tax audits and customs and duties.

*All Other Fees* consist of fees for professional services rendered by our independent registered public accounting firm for permissible non-audit services, if any. We did not incur fees under this category during fiscal years 2010 or 2009.

**Audit Committee Pre-Approval Policy**

Our Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year, and any pre-approval is detailed as to the particular service or category of services. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis.

Our Audit Committee has determined that the provision of non-audit services under appropriate circumstances may be compatible with maintaining the independence of Deloitte & Touche LLP, and that all such