

Fabrinet  
Form DEF 14A  
October 24, 2014  
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**  
**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

**FABRINET**

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

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

Edgar Filing: Fabrinet - Form DEF 14A

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**

**NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS**

Dear Fabrinet Shareholder:

Notice is hereby given that the 2014 Annual Meeting of Shareholders (the "Annual Meeting") of Fabrinet, a Cayman Islands exempted company ( "Fabrinet" or the "Company" ), will be held on Thursday, December 18, 2014, at 9:00 a.m. Pacific time, at the offices of Wilson Sonsini Goodrich & Rosati, Professional Corporation, located at 650 Page Mill Road, Palo Alto, California 94304, for the following purposes:

1. To elect two Class II directors listed in the accompanying Proxy Statement and recommended by our Board of Directors to serve for a term of three years, or until their respective successors have been duly elected and qualified;
2. To hold an advisory vote to approve the compensation paid to our named executive officers;
3. To ratify the appointment of PricewaterhouseCoopers ABAS Ltd. as Fabrinet's independent registered public accounting firm for Fabrinet's fiscal year ending June 26, 2015; and
4. To transact such other business as may properly come before the meeting, or any adjournment or postponement thereof.

These items of business are more fully described in the proxy statement accompanying this notice. Any action on the items of business described above may be considered at the Annual Meeting at the time and on the date specified above, or at any time and date to which the Annual Meeting may be properly adjourned or postponed. Only shareholders of record at the close of business on October 20, 2014, are entitled to notice of and to vote at the Annual Meeting, and at any postponements or adjournments of the meeting.

The Company has elected to provide access to its proxy materials over the Internet. Accordingly, shareholders of record at the close of business on October 20, 2014 will receive a Notice of Internet Availability of Proxy Materials. We expect to mail the Notice of Internet Availability of Proxy Materials on or about October 24, 2014.

**Your vote is very important. Even if you plan to attend the Annual Meeting in person, we encourage you to read the proxy statement and to vote as quickly as possible, to ensure your vote is recorded. For specific instructions on how to vote your shares, please follow the procedures outlined in the Notice of Internet Availability of Proxy Materials, or refer to the section of the proxy statement entitled Questions and Answers About the Annual Meeting and Procedural Matters.**

Thank you for your ongoing support of Fabrinet.

By Order of the Board of Directors,

/s/ David T. Mitchell

David T. Mitchell  
*Chief Executive Officer and Chairman of the Board of Directors*

Palo Alto, California

October 24, 2014

**Table of Contents**

**PROXY STATEMENT  
FOR 2014 ANNUAL MEETING OF SHAREHOLDERS**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND PROCEDURAL MATTERS</u></b>	<b>1</b>
<u>Why am I receiving these materials?</u>	1
<u>Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?</u>	1
<u>How can I obtain electronic access to the proxy materials?</u>	1
<u>Can I attend the Annual Meeting?</u>	1
<u>Who is entitled to vote at the Annual Meeting?</u>	2
<u>What is the difference between holding shares as a shareholder of record and as a beneficial owner?</u>	2
<u>How can I vote my shares in person at the Annual Meeting?</u>	2
<u>How can I vote my shares without attending the Annual Meeting?</u>	2
<u>How many shares must be present or represented to conduct business at the Annual Meeting?</u>	3
<u>What proposals will be voted on at the Annual Meeting?</u>	3
<u>What is the voting requirement to approve each of the proposals and how are votes counted?</u>	3
<u>How does the Board of Directors recommend that I vote?</u>	4
<u>What happens if additional matters are presented at the Annual Meeting?</u>	4
<u>Can I change my vote?</u>	4
<u>What happens if I decide to attend the Annual Meeting but I have already voted or submitted a proxy card covering my shares?</u>	4
<u>What should I do if I receive more than one set of voting materials?</u>	4
<u>Is my vote confidential?</u>	4
<u>Where can I find the voting results of the Annual Meeting?</u>	5
<u>Who will bear the cost of soliciting votes for the Annual Meeting?</u>	5
<u>What is the deadline to propose actions for consideration at next year's annual meeting of shareholders or to nominate individuals to serve as directors?</u>	5
<u>How may I obtain a separate set of proxy materials or the 2014 Annual Report?</u>	6
<b><u>FISCAL YEAR END</u></b>	<b>6</b>
<b><u>PROPOSAL ONE ELECTION OF DIRECTORS</u></b>	<b>7</b>
<u>General</u>	7
<u>Nominees</u>	7
<u>Recommendation of the Board of Directors</u>	7

**Table of Contents**

	<b>Page</b>
<u>Information About Directors and Director Nominees</u>	8
<u>Compensation of Directors</u>	10
<b><u>PROPOSAL TWO ADVISORY VOTE TO APPROVE COMPENSATION PAID TO NAMED EXECUTIVE OFFICERS</u></b>	12
<u>General</u>	12
<u>Recommendation of the Board of Directors</u>	12
<b><u>PROPOSAL THREE RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	13
<u>General</u>	13
<u>Recommendation of the Board of Directors</u>	13
<u>Accounting Fees</u>	13
<u>Pre-Approval of Audit and Non-Audit Services</u>	13
<b><u>AUDIT COMMITTEE REPORT</u></b>	14
<b><u>CORPORATE GOVERNANCE MATTERS</u></b>	15
<u>Corporate Governance Guidelines</u>	15
<u>Code of Business Conduct</u>	15
<u>Board Leadership Structure</u>	15
<u>Risk Oversight</u>	15
<u>Contacting our Board of Directors</u>	16
<u>Attendance at Annual Meetings of Shareholders by our Board of Directors</u>	16
<u>Director Independence</u>	16
<u>Board Meetings and Committees</u>	17
<u>Share Ownership Guidelines</u>	18
<u>Compensation Committee Interlocks and Insider Participation</u>	18
<u>Process for Recommending Candidates for Election to the Board of Directors</u>	18
<b><u>EXECUTIVE OFFICERS</u></b>	20
<b><u>EXECUTIVE COMPENSATION</u></b>	21
<u>Compensation Discussion and Analysis</u>	21
<u>Compensation and Risk Assessment</u>	28
<u>Compensation Committee Report</u>	28
<u>Summary Compensation Table</u>	29
<u>Grants of Plan-Based Awards in Fiscal 2014</u>	31
<u>Outstanding Equity Awards at Fiscal 2014 Year-End</u>	32
<u>Option Exercises and Shares Vested in Fiscal 2014</u>	33
<u>Potential Payments Upon Termination or Change of Control</u>	33

**Table of Contents**

	<b>Page</b>
<u>Equity Compensation Plan Information</u>	36
<b><u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u></b>	37
<u>Related Party Transactions</u>	37
<u>Policy for Approval of Related Party Transactions</u>	37
<b><u>SECURITY OWNERSHIP BY PRINCIPAL SHAREHOLDERS AND MANAGEMENT</u></b>	38
<b><u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	40
<b><u>OTHER MATTERS</u></b>	40

**Table of Contents**

**FABRINET**

**c/o Intertrust Corporate Services (Cayman) Limited**

**190 Elgin Avenue**

**George Town**

**Grand Cayman**

**KY1-9005**

**Cayman Islands**

**PROXY STATEMENT**

**FOR 2014 ANNUAL MEETING OF SHAREHOLDERS**

**QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND PROCEDURAL MATTERS**

**Q: Why am I receiving these materials?**

A: The Board of Directors of Fabrinet is providing these proxy materials to you in connection with the solicitation of proxies for use at Fabrinet's 2014 Annual Meeting of Shareholders (the "Annual Meeting") to be held on Thursday, December 18, 2014, at 9:00 a.m., Pacific time, and at any adjournment or postponement thereof, for the purpose of considering and acting upon the matters set forth in this proxy statement.

The Annual Meeting will be held at the offices of Wilson Sonsini Goodrich & Rosati, Professional Corporation, located at 650 Page Mill Road, Palo Alto, California 94304.

As a shareholder, you are invited to attend the Annual Meeting and you are requested to vote on the proposals described in this proxy statement.

**Q: Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?**

A: In accordance with rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our shareholders of record and beneficial owners. We expect to mail the Notice on or about October 24, 2014.

All shareholders will be able to access the proxy materials on the website referred to in the Notice, or to request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy can be found in the Notice. In addition, shareholders may request the proxy materials be sent by mail or email on an ongoing basis.

**Q: How can I obtain electronic access to the proxy materials?**

A: The Notice will provide you with instructions regarding how to:



## Edgar Filing: Fabrinet - Form DEF 14A

View the proxy materials for the Annual Meeting on the Internet; and

Instruct us to send future proxy materials to you electronically by email.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you, and will reduce the impact of our annual meetings on the environment.

**Q: Can I attend the Annual Meeting?**

A: You are invited to attend the Annual Meeting if you were a shareholder of record or a beneficial owner as of October 20, 2014 (the Record Date ). You should bring photo identification for entrance to the Annual Meeting. The meeting will begin promptly at 9:00 a.m., Pacific time, and you should leave ample time for the check-in procedures. Shareholders may request directions to the offices of Wilson Sonsini Goodrich & Rosati by calling (650) 493-9300.

-1-

---

**Table of Contents**

**Q: Who is entitled to vote at the Annual Meeting?**

A: You may vote your Fabrinet ordinary shares if our records show that you owned your shares at the close of business on the Record Date. At the close of business on the Record Date, there were 35,321,075 ordinary shares outstanding and entitled to vote at the Annual Meeting. You may cast one vote for each ordinary share held by you as of the Record Date on all matters presented.

**Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?**

A: *Shareholder of Record.* If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, you are considered the shareholder of record with respect to those shares, and we have sent the Notice directly to you. As a shareholder of record, you have the right to grant your voting proxy directly to us or to a third party, or to vote in person at the Annual Meeting.

*Beneficial Owner.* If your shares are held in a brokerage account or by a bank or nominee, you are considered the beneficial owner of shares held in street name, and the Notice is being forwarded to you by your broker, bank or nominee (who is considered the shareholder of record with respect to those shares). As the beneficial owner, you have the right to direct your broker, bank or nominee how to vote your shares. Your broker, bank or nominee has enclosed or provided voting instructions for you to use in directing the broker, bank or nominee how to vote your shares. You are also invited to attend the Annual Meeting. However, because you are not the shareholder of record, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker, bank or nominee giving you the right to vote the shares at the Annual Meeting.

If you hold your shares through a broker and do not provide your broker with specific voting instructions, your broker will have the discretion to vote your shares only on routine matters. As a result:

Your broker will not have the authority to exercise discretion to vote your shares with respect to the election of directors and the advisory vote to approve the compensation paid to our named executive officers because the rules of The New York Stock Exchange ( NYSE ) treat those matters as non-routine; but

Your broker will have the authority to exercise discretion to vote your shares with respect to the ratification of the appointment of PricewaterhouseCoopers ABAS Ltd. as Fabrinet's independent registered public accounting firm for Fabrinet's fiscal year ending June 26, 2015, because NYSE rules treat that matter as routine.

**Q: How can I vote my shares in person at the Annual Meeting?**

A: Shares held in your name as the shareholder of record may be voted in person at the Annual Meeting. Shares held beneficially in street name may be voted in person at the Annual Meeting only if you obtain a legal proxy from the broker, bank or nominee that holds your shares giving you the right to vote the shares. **Even if you plan to attend the Annual Meeting, we recommend you also submit your vote as described in the Notice and as described below, so your vote will be counted even if you later decide not to attend the meeting.**

**Q: How can I vote my shares without attending the Annual Meeting?**

A: Whether you hold shares directly as the shareholder of record or beneficially in street name, you may direct how your shares are voted without attending the Annual Meeting. If you are a shareholder of record, you may vote by submitting a proxy; please refer to the voting instructions in the Notice or below. If you hold shares beneficially in street name, you may vote by submitting voting instructions to your broker, bank or nominee; please refer to the voting instructions provided to you by your broker, bank or nominee.

## Edgar Filing: Fabrinet - Form DEF 14A

**By Internet** Shareholders of record with Internet access may submit proxies until 11:59 p.m., Eastern time, on December 17, 2014, by following the **Vote by Internet** instructions described in the Notice, or by

-2-

## **Table of Contents**

following the instructions at [www.proxyvote.com](http://www.proxyvote.com). Most Fabrinet shareholders who hold shares beneficially in street name may vote by accessing the website specified in the voting instructions provided by their brokers, trustees or nominees. If you are a beneficial owner, please check the voting instructions provided by your broker, trustee or nominee for information regarding Internet voting availability.

**By telephone** Depending on how your shares are held, you may be able to vote by telephone. If this option is available to you, you will have received information with the Notice or the voting instructions provided by your broker, bank or nominee explaining this procedure.

**By mail** Shareholders of record may request a paper proxy card from Fabrinet and indicate their vote by completing, signing and dating the card where indicated and by returning it in the prepaid envelope that will be included with the proxy card. Please follow the procedures outlined in the Notice to request a paper proxy card.

### **Q: How many shares must be present or represented to conduct business at the Annual Meeting?**

A: The presence of the holders of at least one-third of the total shares entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Such shareholders are counted as present at the meeting if (1) they are present in person at the Annual Meeting or (2) have properly submitted a proxy.

Abstentions and broker non-votes are counted as present and entitled to vote and are, therefore, included for the purposes of determining whether a quorum is present at the Annual Meeting.

A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received voting instructions from the beneficial owner, and the broker does not have, or declines to exercise, discretionary authority to vote those shares.

### **Q: What proposals will be voted on at the Annual Meeting?**

A: The proposals scheduled to be voted on at the Annual Meeting are:

The election of two Class II directors recommended by our Board of Directors to serve for a term of three years or until their respective successors are duly elected and qualified;

An advisory vote to approve the compensation paid to our named executive officers; and

The ratification of the appointment of PricewaterhouseCoopers ABAS Ltd. as our independent registered public accounting firm for our fiscal year ending June 26, 2015.

### **Q: What is the voting requirement to approve each of the proposals and how are votes counted?**

A: A plurality of the votes cast is required for the election of directors (Proposal One). You may vote FOR or WITHHOLD on each of the nominees for election as director. The two nominees for director receiving the highest number of affirmative votes will be elected as directors. Abstentions and broker non-votes will not affect the outcome of the election.

The affirmative vote of a majority of the votes cast is required (1) to approve, on an advisory basis, the compensation paid to our named executive officers (Proposal Two), and (2) to ratify the appointment of PricewaterhouseCoopers ABAS Ltd. as our independent registered public accounting firm for our fiscal year ending June 26, 2015 (Proposal Three). You may vote FOR, AGAINST or ABSTAIN on these proposals.

## Edgar Filing: Fabrinet - Form DEF 14A

Abstentions have the same effect as votes against these proposals. However, broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of voting results on these proposals.

All shares entitled to vote and represented by properly submitted proxies received prior to the Annual Meeting (and not revoked) will be voted at the Annual Meeting in accordance with the instructions indicated by such proxy. If no instructions are indicated on such proxy, the shares represented by that proxy will be voted as recommended by our Board of Directors.

-3-

**Table of Contents**

**Q: How does the Board of Directors recommend that I vote?**

A: The Board of Directors recommends that you vote your shares:

**FOR** each of the two nominees recommended by our Board of Directors for election as Class II directors (Proposal One);

**FOR** the approval, on an advisory basis, of the compensation paid to our named executive officers (Proposal Two); and

**FOR** the ratification of the appointment of PricewaterhouseCoopers ABAS Ltd. as our independent registered public accounting firm for our fiscal year ending June 26, 2015 (Proposal Three).

**Q: What happens if additional matters are presented at the Annual Meeting?**

A: If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named as proxy holders will have discretion to vote on those matters in accordance with their best judgment. We do not currently anticipate that any other matters will be raised at the Annual Meeting.

**Q: Can I change my vote?**

A: Subject to any rules your broker, bank or nominee may have, you may change your vote at any time before your proxy is voted at the Annual Meeting.

If you are the shareholder of record, you may change your vote (1) by granting a new proxy bearing a later date (which automatically revokes the earlier proxy) using any of the voting methods described above (and until the applicable deadline for each method), (2) by providing a written notice of revocation to our Corporate Secretary, c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, CA 94568 prior to your shares being voted, or (3) by attending the Annual Meeting and voting in person. Attending the meeting will not cause your previously granted proxy to be revoked unless you specifically request this.

If you are the beneficial owner of shares held in street name, you may change your vote (1) by submitting new voting instructions to your broker, bank or nominee, or (2) by attending the Annual Meeting and voting in person if you first have obtained a legal proxy from your broker, bank or nominee giving you the right to vote your shares at the Annual Meeting.

**Q: What happens if I decide to attend the Annual Meeting but I have already voted or submitted a proxy card covering my shares?**

A: Subject to any rules your broker, bank or nominee may have, you may attend the Annual Meeting and vote in person even if you have already voted or submitted a proxy card. Any previous votes that were submitted by you will be superseded by the vote you cast at the Annual Meeting. Please be aware that attendance at the Annual Meeting will not, by itself, revoke a proxy.

If a broker, bank or nominee beneficially holds your shares in street name and you wish to attend the Annual Meeting and vote in person, you must obtain a legal proxy from the broker, bank or nominee holding your shares that gives you the right to vote the shares.

## Edgar Filing: Fabrinet - Form DEF 14A

**Q: What should I do if I receive more than one set of voting materials?**

A: If you received more than one Notice, voting instruction card or set of proxy materials, your shares are registered in more than one name or brokerage account. Please follow the instructions on each Notice or voting instruction card that you receive, to ensure that all of your shares are voted.

**Q: Is my vote confidential?**

A: Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Fabrinet or to third parties,

-4-

---

**Table of Contents**

except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, and (3) to facilitate a successful proxy solicitation. Occasionally, shareholders provide written comments on their proxy cards, which may be forwarded to Fabrinet's management.

**Q: Where can I find the voting results of the Annual Meeting?**

A: We will announce preliminary voting results at the Annual Meeting. We will also disclose voting results on a Form 8-K filed with the SEC within four business days after the Annual Meeting, which will also be available in the Investors Financials SEC Filings section of our website at [www.fabrinet.com](http://www.fabrinet.com).

**Q: Who will bear the cost of soliciting votes for the Annual Meeting?**

A: We will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. We may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners for their reasonable expenses in forwarding solicitation material to such beneficial owners. Our directors, officers and employees also may solicit proxies in person or by other means of communication. Such directors, officers and employees will not be additionally compensated, but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation.

If you choose to access the proxy materials and/or vote over the Internet, you are responsible for Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur.

**Q: What is the deadline to propose actions for consideration at next year's annual meeting of shareholders or to nominate individuals to serve as directors?**

A: You may submit proposals, including recommendations of director candidates, for consideration at future shareholder meetings.

**For inclusion in Fabrinet's proxy materials** Shareholders may present proper proposals for inclusion in our proxy statement and for consideration at our next annual meeting of shareholders by submitting their proposals in writing to our Corporate Secretary in a timely manner. In order to be included in the proxy statement for our 2015 annual meeting of shareholders, shareholder proposals must be received by our Corporate Secretary no later than June 26, 2015, and must otherwise comply with the requirements of Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the Exchange Act).

**To be brought before an annual meeting** In addition, our memorandum and articles of association establish an advance notice procedure for shareholders who wish to present certain matters before an annual meeting of shareholders.

Nominations for the election of directors only can be made (1) by or at the direction of our Board of Directors, or (2) by a shareholder who has delivered written notice to our Corporate Secretary within the Notice Period (as defined below) and who was a shareholder at the time of such notice and as of the record date for such meeting. The notice must contain specified information about the nominees and about the shareholder proposing such nominations.

Our memorandum and articles of association also provide that the only business that may be conducted at an annual meeting is business that is (1) properly brought before the meeting in accordance with our proxy materials with respect to such meeting, (2) properly brought before the meeting by or at the direction of our Board of Directors, or (3) properly brought before the meeting by a shareholder who has delivered written notice to our Corporate Secretary, c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, CA 94568 within the Notice Period (as defined below) and who is a shareholder at the time of such notice and as of the record date for such meeting. The notice must contain specified information about the matters to be brought before such meeting and about the shareholder proposing such matters.

The Notice Period is defined as that period not less than 45 days nor more than 75 days prior to the one year anniversary of the date on which we first mailed our proxy materials or a notice of availability of proxy





**Table of Contents**

materials (whichever is earlier) to shareholders in connection with the preceding year's annual meeting of shareholders. As a result, the Notice Period for the 2015 annual meeting of shareholders will start on August 10, 2015 and end on September 9, 2015.

If a shareholder who has notified us of his or her intention to present a proposal at an annual meeting does not appear to present his or her proposal at such meeting, we need not present the proposal for vote at such meeting.

A copy of the full text of the provisions of our memorandum and articles of association discussed above may be obtained by writing to our Corporate Secretary, c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, CA 94568, or by accessing Fabrinet's filings on the SEC's website at [www.sec.gov](http://www.sec.gov). All notices of proposals by shareholders, whether or not included in our proxy materials, should be sent to our Corporate Secretary, c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, CA 94568.

**Q: How may I obtain a separate set of proxy materials or the 2014 Annual Report?**

A: If you share an address with another shareholder, each shareholder may not receive a separate copy of our proxy materials and 2014 Annual Report. Upon written or oral request we will promptly send a separate copy of our proxy materials and 2014 Annual Report to any shareholder at a shared address where a single copy of the documents was delivered. Shareholders may request additional copies of our proxy materials and 2014 Annual Report by contacting our investor relations at (213) 428-1797, or writing to Fabrinet, c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, CA 94568, Attention: Investor Relations. Shareholders who share an address and receive multiple copies of our proxy materials and 2014 Annual Report can also request to receive a single copy by following the instructions above.

**FISCAL YEAR END**

This proxy statement provides information about the matters to be voted on at the 2014 Annual Meeting and additional information about the Company and its executive officers and directors. Some of the information is provided as of the end of our 2012, 2013 or 2014 fiscal years, and some information is more recent. Our fiscal years end on the last Friday of June of each calendar year; our 2012 fiscal year ended on June 29, 2012, our 2013 fiscal year ended on June 28, 2013, and our 2014 fiscal year ended on June 27, 2014.

**Table of Contents**

**PROPOSAL ONE**

**ELECTION OF DIRECTORS**

**General**

Our Board of Directors presently consists of six directors. Our amended and restated memorandum and articles of association provide that the number of our directors will be fixed from time to time by our Board of Directors, but may not consist of more than 15 directors. Our Board of Directors is divided into three classes of directors, each serving staggered three-year terms. Upon expiration of the term of a class of directors, directors for that class will be elected for three-year terms at the annual meeting of shareholders in the year in which that term expires. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

**Nominees**

Two candidates have been nominated for election as Class II directors at the Annual Meeting for a three-year term expiring in 2017. Upon recommendation of the Nominating and Corporate Governance Committee, our Board of Directors has nominated Thomas F. Kelly and Dr. Frank H. Levinson for election as Class II directors. Biographical information for each of the nominees is set forth below.

Each person nominated for election as a director has agreed to serve if elected, and we have no reason to believe any nominee will be unavailable to serve. In the event any nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who may be proposed by the Nominating and Corporate Governance Committee and designated by the present Board of Directors to fill the vacancy.

If you sign your proxy or voting instruction card or vote by telephone or over the Internet, but do not give instructions with respect to the election of directors, your shares will be voted for the two persons recommended by our Board of Directors. If you wish to give specific instructions with respect to the election of directors, you may do so by indicating your instructions on your proxy or voting instruction card, or when you vote by telephone or over the Internet. If you do not give voting instructions to your broker, your broker will not vote your shares on this matter.

**Recommendation of the Board of Directors**

The Board of Directors recommends a vote **FOR** the election of Thomas F. Kelly and Dr. Frank H. Levinson to the Board of Directors.

**Table of Contents****Information About Directors and Director Nominees**

The names of the members of our Board of Directors, their ages, their positions with Fabrinet (as applicable) and other biographical information as of October 20, 2014, are set forth below. A discussion of the qualifications, attributes and skills of each of the directors and director nominees that led our Board of Directors and the Nominating and Corporate Governance Committee to conclude that he or she should serve as a director follows each of the biographies below. There are no family relationships among any of our directors or executive officers.

Name	Age	Director Class	Year of Expiration of Current Term	Director Since	Position
Dr. Homa Bahrami (2)	59	I	2016	2012	Director
Rollance E. Olson (2)	71	I	2016	2004	Lead Independent Director
Thomas F. Kelly (1)	61	II	2014	2010	Director Nominee
Dr. Frank H. Levinson (1)(3)	61	II	2014	2001	Director Nominee
David T. Mitchell	72	III	2015	2000	Chief Executive Officer and Chairman of the Board of Directors
Virapan Pulges (1)(3)	53	III	2015	2000	Director

(1) Member of Audit Committee

(2) Member of Nominating and Corporate Governance Committee

(3) Member of Compensation Committee

**David T. (Tom) Mitchell** is our founder and has served as our Chief Executive Officer and Chairman of the Board of Directors since our inception in 2000. Mr. Mitchell also served as our President from 2000 to January 2011. In 1979, Mr. Mitchell co-founded Seagate Technology, a disk drive manufacturing company. Mr. Mitchell served as the president of Seagate Technology from 1983 to 1991. From 1992 to 1995, Mr. Mitchell served as the chief operating officer of Conner Peripherals, a disk drive manufacturing company. From 1995 to 1998, Mr. Mitchell served as the chief executive officer of JTS Corp., a mobile disk drive manufacturing company. During his tenure in the data storage industry, Mr. Mitchell established manufacturing operations in Singapore, Thailand, Malaysia, the PRC and India. Mr. Mitchell was a member of the board of directors of GigOptix, Inc. from June 2012 through July 2013. Mr. Mitchell earned a bachelor of science degree in economics from Montana State University.

Among other skills and qualifications, Mr. Mitchell brings to our Board of Directors extensive knowledge and understanding of Fabrinet's business, operations and employees, having founded Fabrinet and served on our Board of Directors since our inception, as well as more than 30 years of experience in an array of executive management roles within the semiconductor and optoelectronics industries.

**Dr. Homa Bahrami** has served on our Board of Directors since August 2012. Dr. Bahrami has been a Senior Lecturer at the Haas School of Business, University of California, Berkeley. She is also a Faculty Director of the Center for Executive Education and a Board Member of the Center for Teaching Excellence at the Haas School of Business, where she has served on the faculty since 1986. Dr. Bahrami was a member of the board of directors of FormFactor, Inc. from 2004 through 2010. Since February 2012, Dr. Bahrami has been a member of the board of directors of FEI Company, where she currently serves on the audit and compensation committees. Dr. Bahrami earned a bachelor of arts degree with honors in sociology and social administration from Hull University and a master of science degree in industrial administration and a doctor of philosophy degree in organizational behavior from Aston University in the United Kingdom.

Among other skills and qualifications, Dr. Bahrami brings to our Board of Directors experience in organizational design and executive development for global enterprises.

**Thomas F. Kelly** has served on our Board of Directors since 2010. Mr. Kelly served as chief executive officer and president of Moxie Software, a provider of enterprise social software, from January 2010 to January 2014. From June 2006 to June 2009, he was chairman of the board of MontaVista Software (acquired by Cavium

---

**Table of Contents**

Networks, Inc. in 2009), a provider of Linux-based development software, where he was also chairman, president and chief executive officer from June 2006 to June 2008. From February 2008 to January 2009, he was president and chief executive officer of Epicor Software, an enterprise resource planning software company, where he also served on the board of directors from 2000 to 2009. In 2004 and 2005, Mr. Kelly was with Trident Capital, a venture capital company. From 2001 to 2004, Mr. Kelly was chairman, president and chief executive officer of BlueStar Solutions (acquired by Affiliated Computer Services, Inc. in 2004), an enterprise resource planning software hosting company. From 1998 to 2001, Mr. Kelly was chairman and chief executive officer of Blaze Software, Inc. (acquired by Brokat Infosystems AG in 2001). Prior to that, he served as chief financial officer or chief operating officer at several software and semiconductor companies, including Cirrus Logic, Inc., Frame Technology, Cadence Design Systems, Valid Logic Corporation and Analog Design Tools. Earlier in his career he was with Arthur Anderson & Company. Since September 2003, Mr. Kelly has been a member of the board of directors of FEI Company, where he currently serves as chairman of the audit committee. He is also on the Board of Regents of Santa Clara University. Mr. Kelly earned a bachelor of science degree in economics from Santa Clara University.

Among other skills and qualifications, Mr. Kelly brings to our Board of Directors audit and financial reporting expertise as well as managerial and operational experience gained from his service on the audit committee of a public company and his roles at Moxie Software, MontaVista Software, Epicor Software and Trident Capital.

**Dr. Frank H. Levinson** has served on our Board of Directors since 2001. Since 2006, Dr. Levinson has served as the managing director of Small World Group, a group primarily involved in investing in and growing small companies. Dr. Levinson served as the chairman of the board of directors and chief technical officer of Finisar Corporation, a provider of fiber optic components and network performance test and monitoring systems, from August 1999 to January 2006, and remained as a director of Finisar until August 2008. From 1988 to 1999, Dr. Levinson served as the chief executive officer of Finisar. From January 1986 to February 1988, Dr. Levinson served as the optical department manager at Raynet, Inc., a fiber optic systems company and, from April 1985 to December 1985, as the chief optical scientist at Raychem Corporation. From January 1984 to July 1984, Dr. Levinson was a member of the technical staff at Bellcore, a provider of services and products to the communications industry. From 1980 to 1983, Dr. Levinson was as a member of the technical staff at AT&T Bell Laboratories. Dr. Levinson earned a bachelor of science degree in mathematics and physics from Butler University, and a master's degree in astronomy and a doctor of philosophy degree in astronomy from the University of Virginia.

Among other skills and qualifications, Dr. Levinson brings to our Board of Directors executive leadership and management experience in a global organization and semiconductor industry experience, having served as chairman of the board of directors, chief technical officer and chief executive officer of Finisar Corporation.

**Rollance E. Olson** has served on our Board of Directors since 2004, including as lead independent director since January 2011. From 1986 to 2011, Mr. Olson served as chief executive officer of Parts Depot Inc., a wholesale automotive replacement parts and supplies business in Virginia. From 1980 to 1985, Mr. Olson served as the president of Brake Systems, Inc., and from 1973 to 1980, Mr. Olson served in various positions at Bendix Corporation, an automotive safety brake and control systems company, including as general manager of the Fram/Autolite division, general manager of the Bendix automotive aftermarket division and corporate staff consultant. From 1968 to 1973, Mr. Olson served as a management consultant and project leader with Booz, Allen & Hamilton, a management and technology consultant firm. Mr. Olson's business career started with Honeywell, Inc. in Minneapolis, Minnesota. Mr. Olson also served on the board of directors for several privately owned retail and technology companies. He served as a board member (9 years) and chairman of the board of the largest automotive aftermarket trade association, and was a guest lecturer at the Darden School of Business (University of Virginia). Mr. Olson earned a bachelor of arts degree from the University of Minnesota.

Among other skills and qualifications, Mr. Olson brings to our Board of Directors executive leadership and management experience gained from his service as chief executive officer of Parts Depot Inc. for more than 25 years.

**Table of Contents**

**Virapan Pulges** has served on our Board of Directors since 2000. Since May 2005, Mr. Pulges has served as managing director of TICON Industrial Connection Public Co., Ltd., an industrial property development company. From May 2005 to July 2010, Mr. Pulges served as a consultant to H&Q Asia Pacific for its investments in Thailand. From 1990 to 2005, Mr. Pulges served as the managing director of H&Q (Thailand) Ltd., a private equity firm, where he was responsible for investments in Thailand. Prior to joining H&Q (Thailand) Ltd., from 1983 to 1989, Mr. Pulges was the assistant managing director of Thai Seri Cold Storage Co., Ltd., a frozen seafood processing and exporting company. Mr. Pulges serves as a director of the Thai Venture Capital Association (TVCA) and the Singapore-Thai Chamber of Commerce. Mr. Pulges was a founding member of TVCA in 1996 and, from 1999 to 2005, he served as a director and the president of TVCA. Mr. Pulges also serves on the board of directors of SVI Public Co., Ltd., Thai Cane Paper Public Co., Ltd. and TICON Industrial Connection Public Co., Ltd. Mr. Pulges earned a bachelor of science degree with special honors in electrical engineering and computer science, and a master's degree in electrical engineering from the University of Colorado, Boulder.

Among other skills and qualifications, Mr. Pulges brings to our Board of Directors executive leadership and management experience and finance experience, having previously managed investments for H&Q (Thailand) Ltd. for 15 years.

**Compensation of Directors****Compensation for Fiscal 2014**

The following table presents information regarding the compensation earned or paid in fiscal 2014 to individuals who were members of our Board of Directors at any time during fiscal 2014, and who also were not our employees. We refer to those directors as non-employee directors. Mr. Mitchell does not receive additional compensation for his service as a director.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Total (\$)
Dr. Bahrami	50,125	79,996	130,121
Mr. Christensen (3)	4,500		4,500
Mr. Kelly	56,500	79,996	136,496
Dr. Levinson	54,000	79,996	133,996
Mr. Olson	166,000	79,996	245,996
Mr. Pulges	54,000	79,996	133,996

- (1) Reflects the aggregate grant date fair value of the shares in accordance with FASB Accounting Standards Codification Topic 718 (ASC 718). The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended June 27, 2014, filed with the SEC on October 16, 2014. These amounts do not correspond to the actual value that will be realized by the directors.
- (2) The following table presents the aggregate number of shares underlying unvested stock awards and outstanding options held by each of our non-employee directors as of the end of fiscal 2014.

Name	Aggregate Number of Shares Underlying Unvested Stock Awards	Aggregate Number of Shares Underlying Outstanding Options
Dr. Bahrami	4,132	
Mr. Kelly	4,132	30,000
Dr. Levinson	4,132	
Mr. Olson	4,132	
Mr. Pulges	4,132	

- (3) Mr. Christensen's term of office ended on December 18, 2013, the date of our 2013 annual meeting of shareholders.



**Table of Contents**

***Standard Director Compensation Arrangements for Fiscal 2014***

During fiscal 2014, non-employee directors received the following cash compensation for their service on our Board of Directors:

an annual retainer of \$30,000;

\$2,500 for each board meeting attended in person;

\$1,000 for each board meeting attended by video or teleconference;

\$15,000 per year for serving as Chairman of the Board of Directors (applicable only if the chairman is a non-employee director);

\$120,000 per year for serving as lead independent director of our Board of Directors (applicable only if the chairman is an employee director);

\$3,000 per year for each member of the Audit Committee (or \$15,000 if such member is the chairperson);

\$5,000 per year for each member of the Compensation Committee (or \$10,000 if such member is the chairperson); and

\$3,000 per year for each member of the Nominating and Corporate Governance Committee (or \$7,500 if such member is the chairperson).

Non-employee directors also receive the following equity compensation for their service on our Board of Directors:

upon joining our Board of Directors, an award of restricted share units prorated to reflect a value equal to: \$80,000, divided by the closing price of Fabrinet's ordinary shares on the NYSE on the date of grant and multiplied by the number of days beginning with the date the director joins our Board of Directors and ending on the day immediately preceding the one year anniversary of the prior year's annual shareholder meeting, divided by 365 days; and

on the date of each annual shareholder meeting, an award of restricted share units valued at \$80,000 based on the closing price of Fabrinet's ordinary shares on the NYSE on the date of each such annual shareholder meeting.

Restricted share units granted to directors generally will vest in full on January 1 following the next annual meeting of shareholders after the date of grant, provided the director continues to serve through such date.

The Compensation Committee has reviewed our standard director compensation arrangements and intends to recommend that our Board of Directors approve increases to director cash and equity compensation for fiscal 2015 at the next regularly scheduled meeting of our Board of Directors.

See Corporate Governance Matters below for additional information regarding our Board of Directors.





---

**Table of Contents**

**PROPOSAL TWO**

**ADVISORY VOTE TO APPROVE COMPENSATION PAID TO NAMED EXECUTIVE OFFICERS**

**General**

In accordance with SEC rules, we are providing our shareholders with the opportunity to vote to approve, on an advisory or non-binding basis, the compensation of our named executive officers (or **Named Officers**) as disclosed in this proxy statement in accordance with rules of the SEC. This proposal, commonly known as a **say-on-pay** proposal, gives our shareholders the opportunity to express their views on our **Named Officers** compensation as a whole. This vote is not intended to address any specific item of compensation or any specific **Named Officer**, but rather the overall compensation of all of our **Named Officers** and the compensation philosophy, policies and practices described in this proxy statement.

We urge shareholders to read the **Executive Compensation** section of this proxy statement, and in particular the information discussed under the heading **Executive Compensation Compensation Discussion and Analysis**, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives. Approximately 83% of the votes cast on the **say-on-pay** proposal in 2013 were voted in favor of the proposal. While this advisory vote to approve executive compensation is non-binding, our Board of Directors and the Compensation Committee value the opinions of shareholders and, to the extent there is any significant vote against the **Named Officer** compensation as disclosed in this proxy statement, will consider those shareholders' concerns and evaluate whether any actions are necessary to address those concerns.

Accordingly, pursuant to Section 14A of the Exchange Act, you are being asked to vote on the following resolution at the Annual Meeting:

RESOLVED, that Fabrinet's shareholders approve, on an advisory basis, the compensation of Fabrinet's named executive officers, as disclosed in Fabrinet's Proxy Statement for the 2014 Annual Meeting of Shareholders pursuant to the executive compensation disclosure rules of the Securities and Exchange Commission, including the **Compensation Discussion and Analysis**, the compensation tables, and related narrative disclosures.

Unless our Board of Directors modifies its policy on the frequency of holding **say on pay** advisory votes, the next **say on pay** advisory vote will occur at our 2015 annual meeting of shareholders.

**Recommendation of the Board of Directors**

The Board of Directors recommends a vote **FOR** the approval of the compensation paid to our **Named Officers**.

**Table of Contents**

**PROPOSAL THREE**

**RATIFICATION OF APPOINTMENT OF**

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**General**

The Audit Committee has appointed PricewaterhouseCoopers ABAS Ltd. ( PwC ) as our independent registered public accounting firm for our fiscal year ending June 26, 2015. Although ratification by shareholders is not required by any applicable legal requirements, our Board of Directors has determined it is desirable to request ratification of this selection by our shareholders. Notwithstanding its selection, the Audit Committee, in its discretion, may appoint a new independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interests of Fabrinet and its shareholders. If our shareholders do not ratify the appointment of PwC, the Audit Committee may reconsider its selection.

A representative of PwC is expected to be present at the meeting, will have the opportunity to make a statement if he or she desires to do so, and is expected to be available to respond to appropriate questions.

**Recommendation of the Board of Directors**

The Board of Directors recommends a vote **FOR** the ratification of the appointment of PricewaterhouseCoopers ABAS Ltd. as Fabrinet's independent registered public accounting firm for the fiscal year ending June 26, 2015.

**Accounting Fees**

The following table presents fees paid or accrued by Fabrinet for audit and other services rendered by PwC for fiscal 2014 and fiscal 2013.

	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>
Audit Fees (1)	\$ 1,060,124	\$ 602,877
Audit-Related Fees		
Tax Fees (2)	20,096	
All Other Fees		
<b>Total</b>	<b>\$ 1,080,220</b>	<b>\$ 602,877</b>

(1) Audit Fees consist of fees for professional services provided in connection with the audit of our annual consolidated financial statements, the review of our quarterly consolidated financial statements, and audit services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for those fiscal years, such as statutory audits, as well as out of pocket expenses. In fiscal 2014, the fees also include services in connection with our May 2014 secondary public offering, including comfort letters, consents and review of documents filed with the SEC. In fiscal 2013, the fees also include services in connection with the filing of a registration statement on Form S-8 in February 2013 and our March 2013 secondary public offering, including comfort letters, consents and review of documents filed with the SEC.

(2) Tax fees consist of fees for international tax consulting services.

**Pre-Approval of Audit and Non-Audit Services**

Pursuant to its charter, the Audit Committee is required to (1) review and approve, in advance, the scope and plans for all audits and audit fees and (2) approve, in advance, all non-audit services to be performed by our independent auditors.

All services and fees of PwC were pre-approved by the Audit Committee.



**Table of Contents**

**AUDIT COMMITTEE REPORT**

The Audit Committee assists our Board of Directors in fulfilling its responsibilities for oversight of the integrity of our financial statements, our internal accounting and financial controls, our compliance with legal and regulatory requirements, the organization and performance of our internal audit function and the qualifications, independence and performance of our independent registered public accounting firm.

Our management is responsible for establishing and maintaining internal controls and for preparing our consolidated financial statements. The independent registered public accounting firm is responsible for auditing the financial statements. It is the responsibility of the Audit Committee to oversee these activities.

The Audit Committee has:

Reviewed and discussed the audited financial statements with management and with PricewaterhouseCoopers ABAS Ltd., our independent registered public accounting firm;

Discussed with PricewaterhouseCoopers ABAS Ltd. the matters required to be discussed under the rules adopted by the Public Company Accounting Oversight Board (the PCAOB ); and

Received the written disclosures and the letter from PricewaterhouseCoopers ABAS Ltd. required by applicable requirements of the PCAOB regarding PricewaterhouseCoopers ABAS Ltd. s communications with the Audit Committee concerning independence and has discussed with PricewaterhouseCoopers ABAS Ltd. its independence.

Based upon these discussions and review, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended June 27, 2014 for filing with the United States Securities and Exchange Commission.

*Respectfully submitted by the members of the Audit Committee of the Board of Directors.*

Thomas F. Kelly (Chairman)

Dr. Frank H. Levinson

Virapan Pulges

**Table of Contents**

**CORPORATE GOVERNANCE MATTERS**

**Corporate Governance Guidelines**

We have adopted Corporate Governance Guidelines that establish the corporate governance policies our Board of Directors intends to follow in overseeing our business in accordance with its fiduciary duties. The Corporate Governance Guidelines are available in the Investors Governance section of our website at [www.fabrinet.com](http://www.fabrinet.com).

**Code of Business Conduct**

We are committed to maintaining the highest standards of ethical conduct, with business practices and principles of behavior that support this commitment. Accordingly, our Board of Directors has adopted a Code of Business Conduct, which is applicable to all of our directors, officers (including our principal executive officer and senior financial and accounting officers) and employees. The Code of Business Conduct is available in the Investors Governance section of our website at [www.fabrinet.com](http://www.fabrinet.com). We will disclose on our website any amendments to the Code of Business Conduct, as well as any waivers, required to be disclosed by SEC or NYSE rules.

**Board Leadership Structure**

Mr. Mitchell currently serves as chairman of our Board of Directors and as our chief executive officer. Our Corporate Governance Guidelines provide that our Board of Directors will fill the chairman and chief executive officer (CEO) positions based upon what it believes is in our best interests at any point in time. Currently, our Board of Directors does not require separation of the chairman and CEO positions. Our Board of Directors believes that as CEO, Mr. Mitchell is in the best position to direct the focus and attention of our Board of Directors to the areas most relevant for us and our shareholders, as Mr. Mitchell is the most familiar with our business, industry and strategic priorities. By combining the role of chairman and CEO, Mr. Mitchell is able to provide strong and valuable leadership for us both internally and externally.

In addition, our Corporate Governance Guidelines provide that if the CEO also is the chairman, our Board of Directors shall select, at its first regular meeting following each annual shareholder meeting, a lead independent director. Rollance Olson has served as our lead independent director since January 2011. The lead independent director's duties include coordinating the activities of the independent and other non-employee directors, coordinating the agenda for and moderating sessions of the independent and other non-employee directors, and facilitating communications among our entire Board of Directors.

Our independent directors meet in executive session at each regularly scheduled meeting of our Board of Directors, and at such other times as necessary or appropriate as determined by the independent directors. Our lead independent director presides at such executive sessions of our Board of Directors.

**Risk Oversight**

Our Board of Directors is responsible for the oversight of our enterprise risk management. Together with its committees, our Board of Directors ensures that any material risks relevant to us or our business are appropriately considered and addressed. Our management team is responsible for day-to-day risk management. Management's responsibilities include identifying, evaluating and addressing potential risks that may exist at the enterprise, strategic, financial and operating levels and the development of processes for mitigating these risks, and our Board of Directors, together with its committees, oversees management in its execution of these responsibilities. At periodic meetings of our Board of Directors and board committees, and in other meetings and discussions, our management reports to and seeks guidance from our Board of Directors and its committees, as applicable, with respect to matters that could affect our business. In addition, our legal counsel provide reports of

## **Table of Contents**

legal risks to the Audit Committee and to our Board of Directors. Similarly, our chief financial officer provides reports to the Audit Committee concerning financial, tax and audit related risks. In addition, the Audit Committee receives periodic reports from management on our compliance programs and efforts, investment policy and practices.

Our Board of Directors reviews the strategic, financial and operational risks inherent in our business through its consideration of the various matters presented to our Board of Directors or its committees by management for review or approval. Furthermore, each board committee regularly reviews and evaluates various aspects of enterprise risk as part of its specific functions and responsibilities delegated by our Board of Directors. The Audit Committee considers risk in connection with its oversight of our financial review and reporting processes and regulatory and corporate compliance matters. In addition, the Audit Committee is responsible for the oversight and review of certain risk management policies, including our insurance, investment and business continuity policies. The Compensation Committee considers risk in connection with its oversight of the design and administration of our compensation policies, plans and programs. The Nominating and Corporate Governance Committee considers risk in connection with its oversight of our governance structure, policies and processes, including conflicts of interest (other than related party transactions reviewed by the Audit Committee).

We believe that our Board of Directors' role is consistent with our leadership structure, with our CEO and management primarily responsible for enterprise risk management, and with our Board of Directors and its committees providing oversight of these efforts.

### **Contacting our Board of Directors**

Shareholders and other interested parties may communicate directly with our lead independent director by sending an email to [leadindependentdirector@fabrinet.com](mailto:leadindependentdirector@fabrinet.com). Communications received at this email address are automatically routed directly to our lead independent director. Shareholders and other interested parties who wish to communicate with our Board of Directors may do so by sending an email to [board@fabrinet.com](mailto:board@fabrinet.com) or a written communication addressed to Fabrinet, c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, California 94568, Attention: Board of Directors. Our legal counsel reviews all incoming communications from shareholders and other interested parties (except for communications sent directly to the lead independent director, mass mailings, product complaints or inquiries, job inquiries, business solicitations and patently offensive or otherwise inappropriate material) and, as appropriate, routes such communications to the appropriate member(s) of our Board of Directors, or if none is specified, to the Chairman of the Board.

### **Attendance at Annual Meetings of Shareholders by our Board of Directors**

Although we do not have a formal policy regarding attendance by members of our Board of Directors at our annual meeting of shareholders, we encourage, but do not require, directors to attend. All of our directors attended our 2013 annual meeting of shareholders.

### **Director Independence**

Our Board of Directors has reviewed the independence of each director and considered whether any director has a material relationship with us that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, our Board of Directors determined that Dr. Bahrami, Mr. Kelly, Dr. Levinson, Mr. Olson and Mr. Pulges, representing five of our six directors, are independent within the meaning of the NYSE and SEC director independence standards, as currently in effect. Our board's independence determination was based on information provided by our directors and discussions among our officers and directors.

---

**Table of Contents**

**Board Meetings and Committees**

During fiscal 2014, our Board of Directors held seven meetings and also took certain actions by written consent. Each of our directors attended at least 75% of the meetings of our Board of Directors and the committees on which he or she served during fiscal 2014. Our Board of Directors has established an Audit Committee, a Compensation Committee and a Nominating & Corporate Governance Committee, each of which has the composition and responsibilities described below.

***Audit Committee***

The Audit Committee currently consists of Mr. Kelly (chairman), Dr. Levinson and Mr. Pulges, each of whom is independent within the meaning of NYSE and SEC rules. Our Board of Directors has determined that Mr. Kelly qualifies as an audit committee financial expert under SEC rules. The Audit Committee held five meetings during fiscal 2014.

Among other responsibilities, the Audit Committee (1) oversees our accounting and financial reporting processes and the audit of our financial statements, (2) assists our Board of Directors in overseeing the integrity of our financial statements (including, without limitation, internal control over financial reporting), (3) oversees our compliance with ethics policies and legal and regulatory requirements, (4) oversees the performance of our independent auditors, (5) prepares the disclosure required by applicable law and SEC rules, and (6) provides to our Board of Directors such information and materials as it may deem necessary to make our Board of Directors aware of significant financial matters that require the attention of our Board of Directors. The Audit Committee acts in accordance with a written charter adopted by our Board of Directors, which is available in the Investors Governance section of our website at [www.fabrinet.com](http://www.fabrinet.com).

The Audit Committee report is included in this proxy statement on page 14.

***Compensation Committee***

The Compensation Committee currently consists of Dr. Levinson (chairman) and Mr. Pulges, each of whom is independent within the meaning of NYSE rules. In addition, our Board of Directors has determined that Dr. Levinson and Mr. Pulges meet the requirements of the non-employee director definition of Rule 16b-3 promulgated under the Exchange Act and the outside director definition of Section 162(m) of the Internal Revenue Code, as amended. The Compensation Committee held five meetings during fiscal 2014.

Among other responsibilities, the Compensation Committee (1) develops, reviews and approves our overall compensation policies and goals, including policies and forms of compensation provided to our directors and executive officers, (2) oversees the administration of our equity compensation and employee benefit plans and programs, and (3) produces an annual report on executive officer compensation for inclusion in our annual proxy statement. The Compensation Committee acts in accordance with a written charter adopted by our Board of Directors, which is available in the Investors Governance section of our website at [www.fabrinet.com](http://www.fabrinet.com).

The Compensation Committee report is included in this proxy statement on page 28.

***Nominating & Corporate Governance Committee***

The Nominating & Corporate Governance Committee currently consists of Dr. Bahrami (chairwoman) and Mr. Olson, each of whom is independent within the meaning of the NYSE rules. The Nominating & Corporate Governance Committee held five meetings during fiscal 2014.

Among other responsibilities, the Nominating & Corporate Governance Committee (1) assists our Board of Directors in identifying prospective director nominees, (2) recommends candidates for election to our Board of



---

## **Table of Contents**

Directors at each annual meeting of shareholders, (3) reviews and recommends updates to our corporate governance principles, as appropriate, (4) reviews and recommends directors to serve on each board committee, (5) oversees the annual evaluation of our Board of Directors and its committees, and (6) monitors and reviews matters related to succession planning for our executive officers. The Nominating and Corporate Governance Committee acts in accordance with a written charter adopted by our Board of Directors, which is available in the Investors Governance section of our website at [www.fabrinet.com](http://www.fabrinet.com).

The Nominating & Corporate Governance Committee will consider recommendations of candidates for election to our Board of Directors submitted by shareholders of Fabrinet. For more information, see Process for Recommending Candidates for Election to the Board of Directors below.

### **Share Ownership Guidelines**

We have adopted share ownership guidelines for our directors and executive officers. For information regarding such guidelines, see the section of this proxy statement entitled Executive Compensation Compensation Discussion and Analysis Share Ownership Guidelines.

### **Compensation Committee Interlocks and Insider Participation**

During fiscal 2014, Dr. Levinson and Mr. Pulges served as members of the Compensation Committee. None of the members of the Compensation Committee is or has in the past served as an officer or employee of Fabrinet. None of our executive officers serves as a member of the Board of Directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

### **Process for Recommending Candidates for Election to the Board of Directors**

The Nominating & Corporate Governance Committee is responsible for, among other things, determining the criteria for membership to our Board of Directors, and recommending candidates for election to our Board of Directors. The Nominating & Corporate Governance Committee will consider recommendations from shareholders for candidates to serve on our Board of Directors. There are no differences in the manner by which the Nominating & Corporate Governance Committee evaluates nominees for director based on whether the nominee is recommended by a shareholder or our Board of Directors.

### ***Shareholder Recommendations and Nominees***

Shareholder recommendations for candidates to our Board of Directors must be directed in writing to our Corporate Secretary, c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, California 94568, and must include (1) the candidate's name, age, business address and residence address, (2) the candidate's principal occupation or employment, (3) the class and number of shares that are held of record or beneficially owned by the candidate and any derivative positions held or beneficially held by the candidate, (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the candidate with respect to any of our securities, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of our shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the candidate, (5) a description of all arrangements or understandings between the nominating shareholder and each candidate and any other person or persons pursuant to which the nominations are to be made by the nominating shareholder, (6) a written statement executed by the candidate acknowledging that as a director, the candidate will owe a fiduciary duty under Cayman Islands law with respect to Fabrinet and its shareholders, and (7) any other information relating to the candidate that would be required to be disclosed about such candidate if proxies were being solicited for the election of the candidate as a director, or that is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including, without limitation, the candidate's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected).

**Table of Contents**

Shareholder recommendations for candidates to our Board of Directors must also contain specified information about the shareholder proposing such nomination. For more information, please refer to our memorandum and articles of association, which may be obtained by writing to our Corporate Secretary, c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, California 94568, or by accessing Fabrinet's filings on the SEC's website at [www.sec.gov](http://www.sec.gov).

***Director Qualifications***

The Nominating & Corporate Governance Committee will evaluate and recommend candidates for membership on our Board of Directors consistent with criteria established by the committee. The consideration of any candidate for director will be based on the committee's assessment of the individual's background, experience, skills and abilities, and if such characteristics qualify the individual to fulfill the needs of our Board of Directors at that time. While the Nominating & Corporate Governance Committee has not established specific minimum qualifications or a formal diversity policy for director candidates, the committee believes that candidates and nominees should reflect a Board of Directors that is predominately independent and that is comprised of directors who (1) are of high integrity, (2) have broad, business-related knowledge and experience, (3) have qualifications that will increase overall board effectiveness, (4) have diverse backgrounds and perspectives, and (5) meet other requirements as may be required by applicable rules, such as financial literacy or financial expertise with respect to Audit Committee members.

***Identification and Evaluation of Director Nominees***

The Nominating & Corporate Governance Committee uses a variety of methods for identifying and evaluating director nominees. The committee assesses the appropriate size and composition of our Board of Directors, the needs of our Board of Directors and board committees and the qualifications of candidates in light of these needs. Candidates may come to the attention of the Nominating and Corporate Governance Committee through shareholders, management, current members of our Board of Directors or search firms. The evaluation of these candidates may be based solely upon information provided to the committee or may also include discussions with persons familiar with the candidate, an interview of the candidate or other actions the committee deems appropriate, including the use of third parties to review candidates.

**Table of Contents****EXECUTIVE OFFICERS**

The names of our executive officers, their ages, their positions with us and other biographical information as of October 20, 2014, are set forth below. There are no family relationships among any of our directors or executive officers.

<b>Name</b>	<b>Age</b>	<b>Position</b>
David T. Mitchell	72	Chief Executive Officer and Chairman of the Board of Directors
Dr. Harpal Gill	61	President and Chief Operating Officer of Fabrinet USA, Inc.; Executive Vice President, Operations of Fabrinet Co., Ltd.
John Marchetti	44	Executive Vice President, Chief Strategy Officer of Fabrinet USA, Inc.
Toh-Seng Ng	60	Executive Vice President, Chief Financial Officer of Fabrinet USA, Inc.

**David T. Mitchell.** For Mr. Mitchell's biography, please see Proposal One Election of Directors Information About Directors and Director Nominees above.

**Dr. Harpal Gill** has served as president and chief operating officer of Fabrinet USA, Inc. since January 2011, and as vice president, operations of Fabrinet Co., Ltd. since July 2007. Dr. Gill previously served as executive vice president, chief operating officer of Fabrinet USA, Inc. from March 2009 to January 2011, and as executive vice president, operations of Fabrinet USA, Inc. from May 2005 to March 2009. From July 2003 to January 2005, Dr. Gill served as vice president of engineering and then senior vice president of engineering for Maxtor Corporation, a disk drive manufacturer. From January 1999 to July 2003, Dr. Gill served as the vice president of engineering for Read Rite Corporation, a supplier of magnetic recording heads for data storage devices. From June 1996 to October 1998, Dr. Gill served as the managing director of JTS Corp., a disk drive manufacturer. Dr. Gill has also held senior management positions with Seagate Technology and Stanton Automation. Dr. Gill earned a bachelor of science degree in mechanical engineering from Brunel University and a doctor of philosophy degree in engineering from the University of Bradford.

**John Marchetti** has served as chief strategy officer and executive vice president of Fabrinet USA, Inc. since January 2012. Prior to joining us, Mr. Marchetti worked as an equity analyst at Cowen & Company from 2008 to 2011 and Morgan Stanley from 2002 to 2008, specializing in coverage of optical communications equipment, wireline, wireless and enterprise companies. Prior to that, he worked in equity research at Tucker Anthony and Advest, where he covered enterprise software. Mr. Marchetti also served as an officer in the United States Marine Corps, and earned a master of business administration degree in finance from the University of Connecticut and a bachelor of arts degree in political science from Virginia Tech.

**Toh-Seng Ng** has served as executive vice president and chief financial officer of Fabrinet USA, Inc. since March 2012. Previously, he was senior vice president of finance and managing director of Casix, Inc., our subsidiary in the People's Republic of China from March 2010 to March 2012, and senior vice president and operations controller of Fabrinet from January 2007 to March 2010. Mr. Ng joined us with nearly 28 years of international financial management experience in the semiconductor and data storage industries. Prior to joining us, Mr. Ng managed financial operations at Magnecomp Precision Plc. in Thailand, Hitachi Global Storage Technologies in San Jose, and Read-Rite Corporation in a series of positions, culminating in his role as corporate controller and vice president of finance. Mr. Ng earned a bachelor of science degree in accountancy from the University of Singapore, and a master of business administration degree in international management from Golden Gate University.

---

**Table of Contents**

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

This section contains a discussion of the material elements of compensation awarded to, earned by or paid to our principal executive officer, principal financial officer, and the other individuals included in the Summary Compensation Table beginning on page 29. We refer to these individuals as our Named Officers in this proxy statement. For fiscal 2014, our Named Officers were:

David T. Mitchell, Chief Executive Officer and Chairman of the Board of Directors;

Dr. Harpal S. Gill, President and Chief Operating Officer of Fabrinet USA, Inc.; Executive Vice President, Operations of Fabrinet Co., Ltd.;

John Marchetti, Executive Vice President, Chief Strategy Officer of Fabrinet USA, Inc.;

Toh-Seng Ng, Executive Vice President, Chief Financial Officer of Fabrinet USA, Inc.; and

Paul Kalivas, former Executive Vice President, Chief Administrative Officer and General Counsel of Fabrinet USA, Inc.

***Executive Compensation Program Objectives and Overview***

Our executive compensation programs are intended to achieve three fundamental objectives: (1) attract, retain and motivate qualified executives; (2) hold executives accountable for performance; and (3) align executives' interests with the interests of our shareholders. In structuring and designing our executive compensation programs, we are guided by the following basic philosophies:

*Competition.* We should provide competitive compensation opportunities with respect to our industry so that we can attract, retain and motivate qualified executives.

*Alignment with Shareholder Interests.* A substantial portion of compensation should be contingent on our performance for our shareholders, to align the interests of executives with the interests of our shareholders and to hold the executives accountable for our performance.

As described in more detail below, the material elements of our executive compensation programs for our Named Officers include a base salary, short-term cash incentive awards and long-term equity incentive awards. In addition, our Named Officers may participate in our 401(k) plan and employee benefit programs on substantially the same terms as our other employees. Our Named Officers are also entitled to certain perquisites and personal benefits and, in some cases, are entitled to severance benefits upon certain terminations of their employment with us.

We believe that each element of our executive compensation program helps us to achieve one or more of our compensation objectives. Taken together, the compensation elements are intended to provide a total compensation package for each Named Officer that is competitive. The table below lists each material element of our executive compensation program and the compensation objective or objectives that it is designed to achieve.

**Compensation Element**  
Base Salary

**Compensation Objectives Designed to be Achieved**  
Attract, retain and motivate qualified executives.

Edgar Filing: Fabrinet - Form DEF 14A

Short-Term Cash Incentive Awards

Align executives' interests with those of shareholders;

Hold executives accountable for our performance; and

Long-Term Equity Incentive Awards

Attract, retain and motivate qualified executives.

Align executives' interests with those of shareholders;

Hold executives accountable for our performance; and

Perquisites and Personal Benefits

Attract, retain and motivate qualified executives.

Severance and Other Benefits Upon Termination of Employment

Attract, retain and motivate qualified executives.

Attract, retain and motivate qualified executives.

-21-

---

**Table of Contents**

***Positive Compensation Practices***

We monitor trends and developments in compensation practices to enhance the effectiveness of our compensation philosophy and have adopted the following practices.

we employ each of our executive officers at will ;

we maintain share ownership guidelines for our executive officers and directors;

our employees (including our executive officers) and directors are prohibited from margining our securities, short selling our securities or trading in derivative securities;

our equity incentive plan prohibits us from instituting any program to reprice or exchange equity awards for awards with a lower exercise price without shareholder approval;

our equity incentive plan prohibits us from recycling shares, which means that any shares subject to a grant are counted against the share limit in the plan and may not subsequently be re-granted, even if the shares are forfeited, expired or exchanged;

our equity incentive plan provides that all awards are subject to the award recipient's continued employment or other service with the Company and vest over a four-year period, unless otherwise set forth in the award agreement; and

we hold an annual shareholder advisory vote on executive compensation.

In fiscal 2015, the Compensation Committee intends to grant performance-based restricted share units to our executive officers, the amount of which will be determined by the Company's achievement of fiscal 2015 revenue targets.

***Role and Authority of the Compensation Committee***

The Compensation Committee currently consists of Dr. Levinson (chairman) and Mr. Pulges, each of whom is independent within the meaning of NYSE rules. In addition, our Board of Directors has determined that Dr. Levinson and Mr. Pulges meet the requirements of the non-employee director definition of Rule 16b-3 promulgated under the Exchange Act and the outside director definition of Section 162(m) of the Internal Revenue Code, as amended. No Compensation Committee member is a former or current officer or employee of Fabrinet or any of its subsidiaries. The Compensation Committee meets at least quarterly, and members of the Compensation Committee serve at the discretion of our Board of Directors.

The Compensation Committee is responsible for overseeing our compensation policies and goals and administering our equity compensation plans and executive incentive plan, including approving target and actual bonuses under our executive incentive plan. Additionally, the Compensation Committee is responsible for reviewing and approving the compensation of our chief executive officer and other Named Officers. The Compensation Committee's role is detailed in its charter, which is available in the Investors Governance section of our website at [www.fabrinet.com](http://www.fabrinet.com).

Pursuant to its charter, the Compensation Committee may delegate its authority to grant awards under the Company's incentive compensation or other equity-based plans, except with respect to awards to executive officers and directors. The Compensation Committee has delegated limited, non-exclusive authority to a committee consisting of our chief executive officer and chief financial officer (the Equity Award Committee) to grant equity awards under our 2010 Performance Incentive Plan with respect to consultants, new hires and promotions for employees below the level of vice president (and with respect to new hires, for employees who are not expected to shortly thereafter become a vice president or above). In any fiscal year, the Equity Award Committee may grant, in the aggregate, share options and share appreciation rights, restricted share

## Edgar Filing: Fabrinet - Form DEF 14A

units, restricted shares or other full-value awards covering no more than the number of shares that have been budgeted and approved by the Compensation Committee for such fiscal year. The Equity Award Committee did not take

-22-

---

**Table of Contents**

action during fiscal 2014, and the Compensation Committee did not approve a budget of equity awards for the Equity Award Committee for fiscal 2014. The Compensation Committee has not delegated any of its authority with respect to any component of the compensation of our Named Officers.

***Role of the Independent Compensation Consultant***

The Compensation Committee has the authority, in its sole discretion, to engage the services of outside consultants to assist it in making decisions regarding the establishment of our compensation programs and philosophy. The Compensation Committee also may obtain advice and assistance from internal or external legal, accounting or other advisors. For fiscal 2014, the Compensation Committee retained Compensia, Inc., a national compensation consulting firm, to provide independent compensation consulting services. At the request of the Compensation Committee, a representative of Compensia attends meetings of the Compensation Committee, either in person or by telephone.

Although Fabrinet pays Compensia's fees, Compensia reports directly to the Compensation Committee, and the Compensation Committee retains the authority to hire or fire Compensia and any other consultant or advisor. Compensia does not provide any services to us other than the services provided to the Compensation Committee. The Compensation Committee has assessed the independence of Compensia taking into account, among other things, the factors set forth in Exchange Act Rule 10C-1 and the listing standards of the New York Stock Exchange, and has concluded that no conflict of interest exists with respect to the work that Compensia performs for the Compensation Committee.

During fiscal 2014, Compensia provided the Compensation Committee with a blend of peer group proxy data and other market data, as discussed below, to assist the Compensation Committee in evaluating the competitiveness of our executive compensation program. Compensia also advised the Compensation Committee on general compensation trends in the industry among similarly situated companies.

***Role of Executive Officers in Compensation Decisions***

In carrying out its responsibilities, the Compensation Committee works with members of our management team, including our chief executive officer and our chief financial officer. Typically, our management team assists the Compensation Committee in the execution of its responsibilities by providing information on corporate and individual performance and management's perspective and recommendations on compensation matters.

Except with respect to his own compensation, our chief executive officer typically makes recommendations to the Compensation Committee regarding executive compensation matters. At the request of the Compensation Committee, our chief executive officer occasionally participates in meetings of the Compensation Committee, except with respect to discussions involving his own compensation. While the Compensation Committee solicits the recommendations and proposals of our chief executive officer with respect to executive compensation matters, these recommendations and proposals are only one factor in the Compensation Committee's decision-making process.

***Consideration of 2013 Say on Pay Advisory Vote***

At our 2013 annual meeting of shareholders, approximately 83% of the votes cast in the advisory vote on executive compensation which were present and entitled to vote on the matter were in favor of the compensation of our named executive officers as disclosed in our 2013 proxy statement. In response to the results of the 2013 Say on Pay advisory vote, the Compensation Committee amended our equity incentive plan (1) to prohibit us from recycling shares, which means that any shares subject to a grant are counted against the share limit in the plan and may not subsequently be re-granted, even if the shares are forfeited, expired or exchanged, and (2) to provide that all awards under the plan shall be subject to the award recipient's continued employment or other



**Table of Contents**

service with the Company and shall vest over a four-year period, unless otherwise set forth in the award agreement. By the time we held our 2013 annual meeting of shareholders, the Compensation Committee had approved fiscal 2014 compensation packages for our Named Officers. Accordingly, the Compensation Committee intends to take the results of the 2013 Say on Pay advisory vote into consideration when making executive compensation decisions for fiscal 2015.

***Fiscal 2014 Peer Group and Other Market Data***

To assist the Compensation Committee in evaluating whether our executive compensation practices are competitive and consistent with the Compensation Committee’s executive compensation program objectives, Compensia provides the Committee with compensation data. For fiscal 2014, Compensia provided the Compensation Committee with market data (the Blended Market Data ) consisting of an equal blend of (1) proxy statement data from our fiscal 2014 peer group, and (2) proprietary survey data from high-tech companies with annual revenues between \$500 million and \$1 billion. The Compensation Committee used the Blended Market Data to compare our Named Officers’ base salary, target cash incentive opportunity, target total cash compensation, equity compensation and total direct compensation against the 25th, 50th and 75th percentiles of the same categories of compensation for executives holding positions comparable (where possible) to the positions of our Named Officers.

The specific criteria for selection into our peer group are set annually by the Compensation Committee. When our peer group is reviewed each year, companies may be removed for failure to meet the selection criteria, or new companies may be added as necessary to ensure a significant sample size of companies. In selecting a peer group, the Compensation Committee considers companies that, in its view, compete with us for talent and have financial or other organizational metrics generally similar to ours. Accordingly, our peer group includes a blend of businesses classified as providing either optical electronic equipment or contract manufacturing services. The selection criteria for our fiscal 2014 peer group includes revenue and revenue growth rates, market capitalization, and headcount metrics. Compensia gathered data on the compensation practices of the companies in our fiscal 2014 group through publicly available information, where available.

Our peer group for fiscal 2014, as approved by the Compensation Committee, consisted of the following 18 companies:

<b>Fiscal 2014 Peer Group</b>		
Aeroflex Holding *	Finisar Corporation	Multi-Fineline Electronix, Inc.
Ciena Corporation	GSI Group *	NETGEAR, Inc. *
Coherent, Inc.	Infinera Corporation	Newport Corporation
CTS Corporation	IPG Photonics Corporation	Rofin Sinar Technologies, Inc.
Daktronics Inc.	Methode Electronics, Inc.	Tellabs, Inc. *
FEI Company	MTS Systems *	TTM Technologies, Inc.

\* This company was added to our fiscal 2014 peer group, as compared to our fiscal 2013 peer group. While part of our fiscal 2013 peer group, Benchmark Electronics, Inc., Oclaro, Inc., Oplink Communications, Inc., Opnext, Inc. and Plexus Corp. were removed from our fiscal 2014 peer group because they did not meet the Compensation Committee’s selection criteria for fiscal 2014.

***Executive Compensation Program Elements***

***Base Salaries***

We provide base salary to our executive officers and other employees to compensate them for services rendered on a day-to-day basis. Following the end of each fiscal year, the Compensation Committee typically

**Table of Contents**

reviews and determines whether to adjust executive base salaries on the basis of each executive officer's level of responsibility, qualifications, experience, past performance and expected future contributions. The Compensation Committee also considers whether executive base salaries are competitive as compared to salary practices gathered from the Blended Market Data. The Compensation Committee does not benchmark or apply specific formulas to determine adjustments to base salary.

In fiscal 2014, the Compensation Committee reviewed the salary component of the Blended Market Data provided by Compensia and considered each executive officer's past performance and expected future contributions, changes in each executive officer's responsibilities and organizational changes. As a result of its review, the Compensation Committee approved the following base salaries for fiscal 2014.

Named Officer	Fiscal 2013 Annual Base Salary	Fiscal 2014 Annual Base Salary	% Change
Mr. Mitchell	\$ 450,000	\$ 650,000	44%
Dr. Gill	\$ 575,000	\$ 650,000(1)	13%
Mr. Marchetti	\$ 375,000	\$ 375,000	
Mr. Ng	\$ 325,000	\$ 425,000(2)	31%
Mr. Kalivas (3)	\$ 325,000	\$ 375,000	15%

- (1) Dr. Gill's fiscal 2014 annual base salary was effective as of November 1, 2013.
- (2) Mr. Ng's fiscal 2014 annual base salary was initially raised to \$375,000, effective as of the beginning of fiscal 2014. Subsequently, the Compensation Committee raised Mr. Ng's fiscal 2014 annual base salary to \$425,000, effective as of November 1, 2013.
- (3) Mr. Kalivas left Fabrinet in March 2014.

*Short-Term Cash Incentive Awards*

In August 2013, the Compensation Committee approved an executive incentive plan for fiscal 2014 (the Fiscal 2014 Bonus Plan) that provided our Named Officers with the ability to receive cash incentive awards based (1) 20% on achievement of individual performance objectives, (2) 40% on achievement of a fiscal 2014 revenue target of \$670 million, and (3) 40% on achievement of a fiscal 2014 gross margin percentage target of 10.5%, with achievement of individual objectives and each financial target considered independently from the other. All of our Named Officers were eligible to participate in the Fiscal 2014 Bonus Plan, which provided for a target bonus amount expressed as a percentage of each Named Officer's base salary. The maximum bonus that each Named Officer could have received under the Fiscal 2014 Bonus Plan was two times his target bonus. Achievement of a maximum bonus payout would require significant skill and effort on the part of an executive officer and very high levels of corporate performance that the Compensation Committee believed were possible but unlikely to be achieved. By basing a substantial portion of our executive officers' total cash compensation on achievement of financial goals designed to drive shareholder value, the Fiscal 2014 Bonus Plan was intended to align their interests with the interests of our shareholders.

The Compensation Committee determined the target bonus for each Named Officer under the Fiscal 2014 Bonus Plan by considering the Blended Market Data provided by Compensia, evaluated against other criteria, including the Named Officer's functional responsibilities and ongoing duties. For fiscal 2014, the Compensation Committee approved increases to Dr. Gill's, Mr. Marchetti's, Mr. Ng's and Mr. Kalivas's target bonus as follows:

Named Officer	Fiscal 2013 Target Bonus (as a % of Base Salary)	Fiscal 2014 Target Bonus (as a % of Base Salary)	% Change
Mr. Mitchell	100%	100%	
Dr. Gill	75%	80%	6.3%
Mr. Marchetti	60%	65%	7.7%
Mr. Ng	50%	65%	23.1%
Mr. Kalivas	50%	65%	23.1%

**Table of Contents**

Under the Fiscal 2014 Bonus Plan, if we achieved 100% of a target financial metric, bonuses were payable to our Named Officers at 100% of target with respect to that financial metric component. If we achieved 90% of a target financial metric, bonuses were payable to our Named Officers at 50% of target with respect to that financial metric component. If we achieved 110% or more of a target financial metric, maximum bonuses were payable to our Named Officers at 200% of target with respect to that financial metric component. Achievement of the financial targets at levels between 90% and 100% and between 100% and 110% would result in a bonus amount that is scaled in a linear fashion.

Based on our fiscal 2014 financial results, we achieved (1) approximately 101% of our revenue target, resulting in a bonus that was funded at approximately 110% with respect to that component, and (2) approximately 104% of our gross margin target, resulting in a bonus that was funded at approximately 140% with respect to that component. In addition, the Compensation Committee determined that each of Mr. Mitchell, Dr. Gill, Mr. Marchetti and Mr. Ng exceeded their fiscal 2014 individual performance objectives and decided to fund each of their bonuses at 200% with respect to that component. Accordingly, Mr. Mitchell, Dr. Gill, Mr. Marchetti and Mr. Ng each received a bonus under the Fiscal 2014 Bonus Plan equal to approximately 140% of their respective target bonus. Mr. Kalivas left Fabrinet in March 2014 and received a prorated portion of his bonus as part of his severance compensation.

The following table describes the target, maximum and actual bonuses for each of our Named Officers under the Fiscal 2014 Bonus Plan.

Named Officer	Target Bonus	Target Bonus (\$)	Maximum Bonus	Maximum Bonus (\$)	Actual Bonus (\$)
	(as a % of Base Salary)		(as a % of Base Salary)		
Mr. Mitchell	100%	650,000	200%	1,300,000	910,000
Dr. Gill	80%	520,000	160%	1,040,000	728,000
Mr. Marchetti	65%	243,750	130%	487,500	341,250
Mr. Ng	65%	276,250	130%	552,500	386,750
Mr. Kalivas	65%	243,750	130%	487,500	

*Long-Term Equity Incentive Awards*

Our equity incentive plan is a critical component of the compensation program that we believe incentivizes our executive officers and key employees to focus on building shareholder value through meeting long-term financial and strategic goals. We grant restricted share units ( RSUs ) to executive officers and other employees under our equity incentive plan. RSUs also function as a retention incentive for our executives as they vest annually over a four-year period after the date of grant.

The Compensation Committee bases long-term equity incentive award grants to executives on a number of factors, including the Blended Market Data provided by Compensia, the executive's vested and unvested equity holdings, the executive's position and total compensation package, and the executive's contribution to the success of our financial performance.

During fiscal 2014, the Compensation Committee granted RSUs only under our 2010 Performance Incentive Plan to each of our Named Officers, as set forth in the following table.

Named Officer	Grant Date	RSUs (#) (1)	Grant Date Fair Value (\$)
Mr. Mitchell	8/9/2013	100,000	1,470,000
	8/14/2013	20,000	310,600
Dr. Gill	8/9/2013	75,000	1,102,500
Mr. Marchetti	8/9/2013	40,000	588,000
Mr. Ng	8/9/2013	40,000	588,000
Mr. Kalivas (2)	8/9/2013	40,000	588,000

---

**Table of Contents**

- (1) RSUs vest over a four-year period at a rate of 25% on each anniversary of the vesting commencement date.
- (2) Mr. Kalivas left Fabrinet in March 2014 and received accelerated vesting with respect to 5,833 shares subject to this RSU grant as part of his severance compensation. Mr. Kalivas forfeited the remaining 34,167 shares subject to this RSU grant.

*Perquisites and Personal Benefits*

In addition to base salaries, we provide our Named Officers with certain perquisites and personal benefits. We believe that perquisites and personal benefits are a tax-advantaged way to provide our Named Officers with additional annual compensation that supplements their base salaries. We do not establish the value of each Named Officer's perquisites and personal benefits in a vacuum or as some form of compensation add on. Instead, we view the value of the perquisites as another component of annual compensation that is merely paid in a different form. When determining each Named Officer's base salary, we take the value of each Named Officer's perquisites and personal benefits into consideration.

We provide certain benefits and allowances to our international assignees, including our Named Officers, which include housing and transportation allowances, living and travel expense reimbursements and tax preparation services. In addition, consistent with the policy we have adopted with respect to all U.S. citizens who are working on our behalf in Asia on an expatriate basis, we pay such employees a tax equalization payment that is intended to put the employee in the same position, from a tax-liability perspective, that he or she would be in if they were still located in the United States. Of our Named Officers, Mr. Mitchell, Dr. Gill and Mr. Ng receive a tax equalization payment because each qualifies for such benefit under the policy.

The perquisites and personal benefits paid to each Named Officer in fiscal 2014 are reported in the "All Other Compensation" column of the Summary Compensation Table below, and are further described in the footnotes to such table.

*Severance and Other Benefits Upon Termination of Employment*

We and certain of our subsidiaries have entered into employment agreements or offer letters with our Named Officers that provide for them to receive severance benefits following certain terminations of their employment with us or our subsidiaries, as applicable. These arrangements are consistent with our overall compensation objectives because, based on publicly filed information, we believe such arrangements are competitive with arrangements offered to senior executives by companies in our industry and are critical to achieve our business objective of management retention. We evaluate the level of severance benefits to provide a Named Officer on a case-by-case basis. To ensure that the severance and change of control arrangements continue to remain consistent with our compensation philosophy and current market practices, the Compensation Committee may periodically review these arrangements. Please see "Potential Payments Upon Termination or Change in Control" below, for a description of the severance benefits our Named Officers may be entitled to receive upon termination of their employment.

*Share Ownership Guidelines*

To further align the interests of our executive officers and members of our Board of Directors with those of our shareholders, we have adopted share ownership guidelines for our executive officers and directors, which provide for a minimum ownership level equal to:

chief executive officer 6x annual base salary;

other executive officers 2x annual base salary; and

directors 3x annual Board retainer.

---

## **Table of Contents**

Executive officers and directors will be expected to meet these ownership levels within five years from August 2012 or, if appointed or elected after August 2012, within five years of their appointment as an executive officer or election to the Board of Directors. Shares counted towards the minimum ownership levels include all shares beneficially owned by the executive officer or director and any unvested restricted share units held by the executive officer or director.

### ***Hedging Policy***

We have an insider trading policy that prohibits, among other things, short sales, hedging of stock ownership positions, and transactions involving derivative securities relating to our ordinary shares.

### ***Tax Considerations***

Section 162(m) of the Internal Revenue Code places a limit of \$1 million per year on the U.S. corporate income tax deduction a publicly-held corporation may take for compensation paid to each of its covered employees (generally, the chief executive officer and the next three most highly compensated executive officers, other than the chief financial officer, as of the end of any fiscal year). In general, certain performance-based compensation approved by shareholders is not subject to this \$1 million deduction limit. Prior to our initial public offering, our Board of Directors did not take the deductibility limit imposed by Section 162(m) into consideration in making compensation decisions. In the future, the Compensation Committee may adopt a policy that, where reasonably practicable, we will seek to qualify the compensation paid to Named Officers that are employees of our U.S.-based subsidiaries as performance-based compensation to participate in the exemption from the deductibility limitations of Section 162(m). However, the Compensation Committee may continue to authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

### ***Compensation Recovery Policy***

At this time, we have not implemented a policy regarding retroactive adjustments to any cash or equity-based incentive compensation paid to our executive officers and other employees where the payments were predicated upon the achievement of financial results that were subsequently the subject of a financial restatement. The Compensation Committee intends to revisit the issue during fiscal 2015.

### **Compensation and Risk Assessment**

The Compensation Committee has assessed the risks associated with our compensation policies and practices for all employees and, based on its assessment, does not believe that such compensation policies and practices create risks that are reasonably likely to have a material adverse effect on us.

### **Compensation Committee Report**

The Compensation Committee oversees Fabrinet's compensation policies, plans and benefit programs. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management. Based on such review and discussions, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

*Respectfully submitted by the members of the Compensation Committee of the Board of Directors.*

Dr. Frank H. Levinson (Chairman)

Virapan Pulges

**Table of Contents****Summary Compensation Table**

The following table presents information regarding the total compensation of our Named Officers, who include (i) our principal executive officer, (ii) our principal financial officer, and (iii) our other most highly compensated executive officers, other than our principal executive officer and principal financial officer, who were serving as executive officers at the end of fiscal 2014, and (iv) our former executive officer for whom disclosure would have been provided pursuant to Item 402 of Regulation S-K but for the fact that the individual was not serving as an executive officer at the end of fiscal 2014.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$ (1))	Stock Awards (\$ (2))	Option Awards (\$ (2))	Non-Equity Incentive	All Other Compensation (\$ (4))	Total (\$)
						Plan Compensation (\$ (3))		
David T. Mitchell <i>Chief Executive Officer and Chairman of the Board of Directors</i>	2014	650,000		1,780,600		910,000	661,463	4,002,063
	2013	450,000	450,000	1,599,999			468,339	2,968,338
	2012	450,000		899,995	899,994		374,047	2,624,036
Dr. Harpal S. Gill <i>President and Chief Operating Officer of Fabrinet USA, Inc.</i>	2014	625,000		1,102,500		728,000	230,340	2,685,840
	2013	575,000	431,250	999,998			323,950	2,330,198
	2012	541,667	200,000(5)	500,003	499,999		202,530	1,944,199
John Marchetti <i>Executive Vice President, Chief Strategy Officer of Fabrinet USA, Inc.</i>	2014	375,000		588,000		341,250	61,623	1,365,873
	2013	375,000	225,000	399,997			62,613	1,062,610
	2012	171,875		200,008	199,999		23,626	595,508
Toh-Seng Ng <i>Executive Vice President, Chief Financial Officer of Fabrinet USA, Inc.</i>	2014	408,333		588,000		386,750	233,963	1,617,046
	2013	325,000	187,500	399,997			342,400	1,254,897
	2012	292,761		199,994	199,995		230,599	923,349
Paul Kalivas (6) <i>Former Executive Vice President, Chief Administrative Officer and General Counsel of Fabrinet USA, Inc.</i>	2014	281,251		588,000			844,776	1,714,027
	2013	323,812	162,500	399,997			37,183	923,492

- (1) Except as otherwise noted, the amounts in this column reflect discretionary cash bonuses awarded by the Compensation Committee of our Board of Directors in recognition of our Named Officers' performance during fiscal 2013. Amounts were paid in fiscal 2014.
- (2) The amounts in this column represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for our fiscal year ended June 27, 2014, filed with the SEC on October 16, 2014. These amounts do not necessarily correspond to the actual value that may be recognized by the Named Officer.
- (3) The amounts in this column reflect bonuses awarded pursuant to the Fiscal 2014 Executive Incentive Plan. Amounts paid under the Fiscal 2014 Executive Incentive Plan were paid in fiscal 2015. For more information, see the Grants of Plan-Based Awards in Fiscal 2014 table below.
- (4) The value and components of perquisites and other personal benefits for each of the Named Officers for fiscal 2014 are set forth in the All Other Compensation for Fiscal 2014 table below.
- (5) Represents a one-time discretionary cash bonus payment in recognition of Dr. Gill's efforts in connection with our recovery efforts following the severe flooding in Thailand that forced us to suspend production at all of our manufacturing facilities in Thailand from October 17, 2011 through November 14, 2011.
- (6) Mr. Kalivas became an executive officer in July 2012 and left Fabrinet in March 2014. Accordingly, only information for fiscal 2013 and fiscal 2014 is provided with respect to Mr. Kalivas.

**Table of Contents***All Other Compensation for Fiscal 2014*

Name	Housing Allowance (\$)	Tax Equalization (\$ (1))	Automobile and Transportation (\$)	Health Insurance (\$)	401(k) Contributions (\$)	Other (\$)	Total (\$)
Mr. Mitchell	218,546	192,492	123,663	25,917		100,845(2)	661,463
Dr. Gill	120,000	32,266	26,520	28,149	23,000	405(3)	230,340
Mr. Marchetti			12,000	33,831	15,300	492(4)	61,623
Mr. Ng	120,000	45,252	22,348	28,123	18,240		233,963
Mr. Kalivas			9,000	7,369	15,925	812,482(5)	844,776

- (1) Represents foreign tax liability payments by Fabrinet on the Named Officer's behalf to satisfy all applicable non-U.S. taxes of such Named Officer for the following calendar years: Mr. Mitchell – calendar year 2012; Dr. Gill – calendar year 2012; Mr. Ng – calendar year 2013. Consistent with corporate policy, we pay on behalf of all U.S. citizens who are working on our behalf in Asia on an expatriate basis a tax equalization payment that is intended to put the employee in the same position, from a tax-liability perspective, that he or she would be in if they were still located in the United States.
- (2) Represents (i) out-patient medical expenses of \$43,069, (ii) expenses associated with Mr. Mitchell's home office in the United States of \$30,000, (iii) expenses for meals of \$20,449, (iv) charitable donations made on Mr. Mitchell's behalf of \$3,179, (v) membership club dues of \$756, and (vi) other miscellaneous personal benefits of \$3,392.
- (3) Represents miscellaneous personal benefits.
- (4) Represents miscellaneous personal benefits, including membership dues and subscriptions.
- (5) Mr. Kalivas left Fabrinet in March 2014. As severance compensation, he received (i) a lump sum cash payment in the amount of \$375,000; (ii) a lump sum cash payment in the amount of \$274,219, which represents 75% of the amount of bonus Mr. Kalivas would have received under the Company's Fiscal 2014 Executive Incentive Plan based on the Company's performance through the third quarter of fiscal 2014; (iii) reimbursement in the amount of \$7,994 for health care insurance premiums under COBRA through March 31, 2015; (iv) reimbursement in the amount of \$12,000 for business expenses incurred by Mr. Kalivas, in accordance with the Company's expense reimbursement policy; (v) accelerated vesting with respect to an aggregate of 11,535 restricted share units; (vi) \$100,000 worth of outplacement services; and (vii) payment of accrued vacation in the amount of \$43,269.

**Table of Contents****Grants of Plan-Based Awards in Fiscal 2014**

The following table presents information concerning each grant of an award made to a Named Officer in fiscal 2014 under any plan.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) (2)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Mr. Mitchell	8/9/2013		650,000	1,300,000	100,000		1,470,000	
	8/14/2012				20,000		310,600	
Dr. Gill	8/9/2013		520,000	1,040,000	75,000		1,102,500	
	8/9/2013		243,750	487,500	40,000		588,000	
Mr. Marchetti	8/9/2013		276,250	552,500	40,000		588,000	
Mr. Ng	8/9/2013		243,750	487,500	40,000		588,000	
Mr. Kalivas	8/9/2013				40,000		588,000	

- (1) Reflects target and maximum cash incentive award amounts for fiscal 2014 performance under our Fiscal 2014 Executive Incentive Plan, as described in Compensation Discussion and Analysis Executive Compensation Program Elements Short-Term Cash Incentive Awards. There is no threshold payout amount under the Fiscal 2014 Executive Incentive Plan, as the minimum amount payable under the plan is \$0. The actual bonus amounts were determined by the Compensation Committee in October 2014 and are reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. Mr. Kalivas left Fabrinet in March 2014 and received a prorated amount of his bonus as part of his severance compensation.
- (2) Reflects the aggregate grant date fair value of each equity award computed in accordance with FASB ASC Topic 718. The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for the fiscal year ended June 27, 2014, filed with the SEC on October 16, 2014. These amounts do not necessarily correspond to the actual value that may be recognized by the Named Officer.



**Table of Contents****Outstanding Equity Awards at Fiscal 2014 Year-End**

The following table presents information regarding the outstanding equity awards held by each Named Officer as of the end of fiscal 2014.

Name	Grant Date (1)	Option Awards		Option Exercise Price (\$)	Option Expiration Date (2)	Stock Awards	
		Number of Securities Underlying Exercisable	Number of Securities Underlying Unexercisable			Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(3)
Mr. Mitchell	10/13/2010	206,218	18,782	16.83	10/13/2017		
	11/10/2011	83,855	45,973	14.12	11/9/2018		
	11/10/2011					31,870	655,247
	8/23/2012					49,100	1,009,496
	11/8/2012					50,001	1,028,020
	8/9/2013					100,000	2,056,000
	8/14/2013					20,000	411,200
Dr. Gill	10/13/2010	61,864	5,636	16.83	10/13/2017		
	11/10/2011	10,521	25,534	14.12	11/9/2018		
	11/10/2011					17,706	364,035
	8/23/2012					30,687	630,925
	11/8/2012					31,251	642,521
	8/9/2013					75,000	1,542,000
Mr. Marchetti	2/9/2012(4)	12,846	8,414	19.36	2/8/2019		
	2/9/2012					5,166	106,213
	8/23/2012					12,275	252,374
	11/8/2012					12,501	257,021
	8/9/2013					40,000	822,400
Mr. Ng	10/13/2010	20,622	1,878	16.83	10/13/2017		
	11/10/2011	13,981	7,657	14.12	11/9/2018		
	11/10/2011					5,312	109,215
	3/1/2012	3,132	2,418	18.60	2/28/2019		
	3/1/2012					1,344	27,633
	8/23/2012					12,275	252,374
	11/8/2012					12,501	257,021
	8/9/2013					40,000	822,400

- (1) Unless otherwise indicated, all options vest over a four-year period at a rate of 1/48th per month. RSUs vest over a four-year period at a rate of 25% on each anniversary of the vesting commencement date.
- (2) The expiration date shown is the normal expiration date and the latest date that options may be exercised. Options may terminate earlier in certain circumstances, such as in connection with a Named Officer's termination of employment or in connection with a change in control.
- (3) Market value of shares or units of stock that have not vested is computed by multiplying (i) \$20.56, the closing price on the New York Stock Exchange of our ordinary shares on June 27, 2014, the last business day of fiscal 2014, by (ii) the number of shares or units of stock.
- (4) This option vests over a four-year period at a rate of 25% on January 16, 2013 and then at a rate of 1/48th per month.

**Table of Contents****Option Exercises and Shares Vested in Fiscal 2014**

The following table presents information concerning the exercise of options and the vesting of stock awards in fiscal 2014 for each of our Named Officers.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$ (1))	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$ (2))
Mr. Mitchell			48,967	770,171
Dr. Gill	73,996	694,193	29,498	462,858
Mr. Marchetti			10,840	172,413
Mr. Ng			11,585	183,378
Mr. Kalivas	29,567	185,048	22,448	409,910

- (1) The value realized on exercise was determined by multiplying (i) the number of our ordinary shares acquired upon exercise of a share option, by (ii) the difference between the per share fair market value of our ordinary shares on the date of exercise and the exercise price of the share option.
- (2) Reflects the market value of our ordinary shares on the vesting date.

**Potential Payments Upon Termination or Change of Control**

We and certain of our subsidiaries have entered into employment agreements or offer letters with our Named Officers that provide the general terms and conditions of their employment, including payments and benefits upon termination of their employment in specified circumstances, including a change in control of the Company.

***Arrangement with Mr. Mitchell***

We have entered into an employment agreement with Mr. Mitchell. Previously, Mr. Mitchell's employment agreement was between Mr. Mitchell and Fabrinet USA, Inc., our California subsidiary. However, when Mr. Mitchell's written employment agreement with Fabrinet USA, Inc., expired on December 31, 2005, we assumed responsibility for the agreement and agreed with Mr. Mitchell to continue his employment under the terms of that agreement. Mr. Mitchell may terminate his employment with us for any reason by providing written notice 90 days in advance. We may terminate Mr. Mitchell's employment at any time with or without notice or cause. Mr. Mitchell has agreed that, for a period of one year following the termination of his employment with us, he will not solicit our employees or independent contractors to leave our employment or intentionally interfere with our relationships with, or seek to solicit business from our customers or clients. If we terminate Mr. Mitchell's employment without cause or he terminates his employment for good reason, Mr. Mitchell is entitled to receive a lump sum severance payment equal to two times his then-current annual base salary, plus accrued salary and earned bonus and reimbursement of expenses, all subject to applicable tax withholdings.

Cause means Mr. Mitchell's (i) commission of any felony or any crime involving moral turpitude, (ii) willful breach of his duties to us, including, but not limited to, theft from us and failure to fully disclose personal pecuniary interest in a transaction involving us, or (iii) engaging in willful misconduct, willful or gross neglect, fraud, misappropriation, or embezzlement, in each case in the performance of his duties.

Good reason means (i) a material diminution during the term of the agreement in Mr. Mitchell's office, duties, or responsibilities (including following any change in control) or (ii) a material breach by us of the agreement. However, before terminating his employment for good reason, Mr. Mitchell must provide (i) reasonable written notice to our Board of Directors setting forth the reasons for his intention to terminate for good reason and (ii) an opportunity for our Board of Directors to meet with him, together with legal counsel, and cure such reason within 15 days after receipt of such notice.

**Table of Contents**

The following table provides information concerning the estimated payments and benefits that would be provided to Mr. Mitchell in the circumstances described above. Payments and benefits are estimated assuming the triggering event took place on the last business day of fiscal 2014 (June 27, 2014). There can be no assurance a triggering event would produce the same or similar results as those estimated below if such event occurs on any other date, of if any other assumption used to estimate potential payments and benefits is not correct. Due to the number of factors that affect the nature and amount of any potential payments or benefits, any actual payments and benefits may be different.

Name	Type of Benefit	Potential Payments Upon:		
		Termination Without Cause (\$)	Resignation for Good Reason (\$)	
Mr. Mitchell	Cash Severance Payment	200% Annual Base Salary	1,300,000	1,300,000
	Cash Severance Payment	Earned Bonus	910,000	910,000
	Reimbursement of Expenses			
	<i>Total Termination Benefits</i>		2,210,000	2,210,000

**Arrangements with Dr. Gill, Mr. Kalivas, Mr. Marchetti and Mr. Ng**

In the event Dr. Gill's, Mr. Marchetti's or Mr. Ng's employment is terminated either (i) in connection with a change in control (whether or not for good cause) or (ii) without good cause (without regard to whether there is a change in control), Dr. Gill, Mr. Marchetti and Mr. Ng each, as applicable, would be entitled to receive a lump sum severance payment equal to his then-current annual base salary, medical coverage for 12 months following his termination of employment and any earned bonus, all subject to applicable tax withholdings.

For purposes of Dr. Gill's, Mr. Marchetti's and Mr. Ng's employment arrangements change in control includes the occurrence of (i) a change in the ownership of the Company, which occurs on the date that any one person, or more than one person acting as a group ( "Person" ), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total fair market value or the total voting power of the stock of the Company; or (ii) a change in the effective control of the Company that occurs (a) on the date any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, or (b) on the date that a majority of members of the Board of Directors is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors prior to the date of the appointment or election; or (iii) a change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of clause (i), if any Person is considered to own more than 50% of the Company's total fair market value or total voting power, the acquisition of additional stock of the Company by the same Person will not be considered a change in control. For purposes of clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a change in control. For purposes of clause (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of Dr. Gill's, Mr. Marchetti's and Mr. Ng's employment arrangements good cause means (i) an act of dishonesty made in connection with their responsibilities as an employee, (ii) a conviction of or plea of nolo contendere to a felony or any crime involving fraud, embezzlement or any other act of moral turpitude, (iii) gross misconduct, (iv) unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom they owe an obligation of nondisclosure, (v) willful breach of any obligations under any written agreement or covenant with the Company, or (vi) continued failure to perform employment duties after receipt of a written demand for performance from the Company.

**Table of Contents**

The following table provides information concerning the estimated payments and benefits that would be provided to Dr. Gill, Mr. Marchetti and Mr. Ng in the circumstances described above. Payments and benefits are estimated assuming the triggering event took place on the last business day of fiscal 2014 (June 27, 2014). There can be no assurance a triggering event would produce the same or similar results as those estimated below if such event occurs on any other date, or if any other assumption used to estimate potential payments and benefits is not correct. Due to the number of factors affecting the nature and amount of any potential payments or benefits, any actual payments and benefits may be different.

Name	Type of Benefit	Potential Payments Upon:	
		Termination Without Cause (\$)	Termination In Connection With a Change in Control (\$)
Dr. Gill	Cash Severance Payment 100% Annual Base Salary	650,000	650,000
	Cash Severance Payment Earned Bonus	728,000	728,000
	Continued Coverage of Medical Benefits (1)	28,149	28,149
	<i>Total Termination Benefits</i>	1,406,149	1,406,149
Mr. Marchetti	Cash Severance Payment 100% Annual Base Salary	375,000	375,000
	Cash Severance Payment Earned Bonus	341,250	341,250
	Continued Coverage of Medical Benefits (1)	33,831	33,831
	<i>Total Termination Benefits</i>	750,081	750,081
Mr. Ng	Cash Severance Payment 100% Annual Base Salary	425,000	425,000
	Cash Severance Payment Earned Bonus	386,750	386,750
	Continued Coverage of Medical Benefits (1)	28,123	28,123
	<i>Total Termination Benefits</i>	839,873	839,873

(1) Reflects the annual cost of COBRA coverage to maintain the benefits currently provided.

**Separation Agreement with Mr. Kalivas**

Paul Kalivas resigned as Chief Administrative Officer, General Counsel and Secretary, effective as of March 31, 2014. On February 20, 2014, the Company and Mr. Kalivas entered into a separation agreement and release. As consideration for non-disparagement obligations to the Company and a full release of all claims related to Mr. Kalivas's employment with the Company, Mr. Kalivas received: (1) a lump sum cash payment in the amount of \$375,000; (2) a lump sum cash payment in the amount of \$274,219, which represents 75% of the amount of bonus Mr. Kalivas would have received under the Company's Fiscal 2014 Executive Incentive Plan based on the Company's performance through the third quarter of fiscal 2014; (3) reimbursement in the amount of \$7,994 for health care insurance premiums under COBRA through March 31, 2015; (4) reimbursement in the amount of \$12,000 for business expenses incurred by Mr. Kalivas, in accordance with the Company's expense reimbursement policy; (5) accelerated vesting with respect to an aggregate of 11,535 restricted share units; (6) \$100,000 worth of outplacement services; and (7) payment of accrued vacation in the amount of \$43,269.

**Table of Contents****Equity Compensation Plan Information**

The following table provides information as of June 27, 2014 with respect to our ordinary shares that may be issued under our existing equity compensation plans.

	(a)	(b)	(c)
<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (\$)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a) (#)</b>
Equity compensation plans approved by security holders (1)	1,628,185(2)	8.65	3,528,778
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>1,628,185</b>	<b>8.65</b>	<b>3,528,778</b>

(1) Includes the following plans: 1999 Share Option Plan and 2010 Performance Incentive Plan.

(2) This amount includes 762,295 shares subject to restricted share unit awards that were outstanding as of June 27, 2014.

**Table of Contents**

**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

**Related Party Transactions**

We describe below transactions since the beginning of fiscal 2014 to which we were a party or will be a party, in which the amounts involved exceeded or will exceed \$120,000 and in which the following persons had or will have a direct or indirect material interest:

any of our directors or executive officers;

any nominee for election as one of our directors;

any person or entity that beneficially owns more than five percent of our outstanding shares; or

any member of the immediate family of any of the foregoing persons.

***Employment of Family Members***

Dr. Soon Kaewchansilp, father-in-law of David T. Mitchell, is a member of the board of directors of our subsidiary, Fabrinet Co., Ltd. Dr. Kaewchansilp received total compensation of approximately \$174,295 for his services in fiscal 2014.

George Mitchell, brother of David T. Mitchell, is Senior Vice President, Business Development and Corporate Quality; he received total compensation of approximately \$396,959 for his services in fiscal 2014.

**Policy for Approval of Related Party Transactions**

In accordance with the Audit Committee's charter, the Audit Committee reviews and pre-approves in writing any proposed related party transactions. The most significant related party transactions, particularly those involving our directors and officers, will be reviewed and pre-approved in writing by our Board of Directors. We will report all such material related party transactions under applicable accounting rules, federal securities laws and SEC rules and regulations. Any dealings with a related party must be conducted in such a way that does not give us or the related party preferential treatment. For purposes of these procedures, related person and transaction have the meanings contained in Item 404 of Regulation S-K.

**Table of Contents****SECURITY OWNERSHIP BY PRINCIPAL SHAREHOLDERS AND MANAGEMENT**

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of October 20, 2014, for:

each person (or group of affiliated persons) who is known by us to beneficially own more than 5% of our ordinary shares;

each of our directors and director nominees;

each of our Named Officers; and

all of our directors and current executive officers as a group.

We have determined beneficial ownership in accordance with SEC rules. Except as indicated in the footnotes below, and subject to applicable community property laws, we believe, based on the information furnished to us, the persons and entities named in the table below have sole voting and investment power with respect to all ordinary shares shown as beneficially owned by them. Percentage of beneficial ownership is based on 35,321,075 ordinary shares outstanding as of October 20, 2014. In computing the number of ordinary shares beneficially owned by a person or entity and the percentage ownership of that person or entity, we deemed to be outstanding all ordinary shares as to which such person or entity has the right to acquire within 60 days of October 20, 2014, through the exercise of any option or other right. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person or entity.

Unless otherwise noted below, the address of each beneficial owner named below is c/o Fabrinet USA, Inc., 3736 Fallon Road, #428, Dublin, CA 94568.

	<b>Shares Beneficially Owned (#)</b>	<b>Percentage Beneficially Owned (%)</b>
<b>5% Shareholders, Directors and Named Officers</b>		
<b>5% Shareholders:</b>		
Royce & Associates, LLC (1) 745 Fifth Avenue  New York, NY 10151	3,734,957	10.6
T. Rowe Price Associates, Inc. (2) 100 East Pratt Street  Baltimore, Maryland 21202	3,314,620	9.4
Asia Pacific Growth Fund III, L.P. (3) c/o H&Q Asia Pacific  Suite 2018 Hutchison House  10 Harcourt Road, Central  Hong Kong	3,107,063	8.8
<b>Named Officers:</b>		
David T. Mitchell (4)	2,002,743	5.6
Dr. Harpal Gill (5)	135,281	*
John Marchetti (6)	25,718	*

Edgar Filing: Fabrinet - Form DEF 14A

Toh-Seng Ng (7)	64,598	*
Paul Kalivas (8)	12,085	*
<b>Non-Employee Directors:</b>		
Dr. Homa Bahrami	8,242	*
Thomas F. Kelly (9)	46,368	*
Dr. Frank H. Levinson	58,455	*
Rollance E. Olson	40,955	*
Virapan Pulges	48,455	*
<b>All directors and current executive officers as a group (9 persons)(10)</b>	<b>2,430,815</b>	<b>6.8</b>

-38-



---

**Table of Contents**

- \* Represents less than 1% of the total.
- (1) Based on a Schedule 13G/A filed with the SEC on January 17, 2014 by Royce & Associates, LLC.
  - (2) Based on a Schedule 13G filed with the SEC on February 12, 2014 by T. Rowe Price Associates, Inc.
  - (3) Based on a Form 4 filed with the SEC on June 5, 2014 by Asia Pacific Growth Fund III, L.P.
  - (4) Consists of (i) 1,359,683 shares held by the David T. Mitchell Separate Property Trust, of which Mr. Mitchell is the sole trustee, (ii) 325,084 shares issuable upon the exercise of options held by Mr. Mitchell exercisable within 60 days of October 20, 2014, (iv) 15,935 shares subject to restricted share units that are scheduled to vest within 60 days of October 20, 2014, (v) 100,680 shares held by the Gabriel Thomas Mitchell Trust, of which Kimberley Totah is the sole trustee, (vi) 100,681 shares held by the Alexander Thomas Mitchell Trust, of which Kimberley Totah is the sole trustee, and (vii) 100,680 shares held by the Sean Thomas Mitchell Trust, of which Kimberley Totah is the sole trustee. Mr. Mitchell disclaims beneficial ownership of the shares held by each of the Gabriel Thomas Mitchell Trust, the Alexander Thomas Mitchell Trust and the Sean Thomas Mitchell Trust.
  - (5) Consists of (i) 39,395 shares held by Dr. Gill, (ii) 87,033 shares issuable upon the exercise of options held by Dr. Gill exercisable within 60 days of October 20, 2014, and (iii) 8,853 shares subject to restricted share units that are scheduled to vest within 60 days of October 20, 2014.
  - (6) Consists of (i) 10,214 shares held by Mr. Marchetti and (ii) 15,504 shares issuable upon the exercise of options held by Mr. Marchetti exercisable within 60 days of October 20, 2014.
  - (7) Consists of (i) 18,930 shares held by Mr. Ng, (ii) 43,012 shares issuable upon the exercise of options held by Mr. Ng exercisable within 60 days of October 20, 2014, and (iii) 2,656 shares subject to restricted share units that are scheduled to vest within 60 days of October 20, 2014.
  - (8) Mr. Kalivas left Fabrinet in March 2014. We have provided his ownership information based on the last information known to us.
  - (9) Consists of (i) 16,368 shares held by Mr. Kelly and (ii) 30,000 shares issuable upon the exercise of options held by Mr. Kelly that are exercisable within 60 days of October 20, 2014.
  - (10) Includes (i) 500,633 shares issuable upon the exercise of options held by our current directors and executive officers that are exercisable within 60 days of October 20, 2014, and (ii) 27,444 shares subject to restricted share units that are scheduled to vest within 60 days of October 20, 2014.

**Table of Contents**

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors, executive officers and any persons holding more than 10% of a registered class of our equity securities to report initial ownership of such equity shares, and any subsequent changes in ownership to the SEC. Such officers, directors and 10% shareholders also are required by SEC rules to furnish us with copies of all Section 16(a) forms they file. Specific due dates have been established by the SEC, and we are required to disclose in this proxy statement any failure to file required ownership reports by these dates. Based solely on our review of copies of such forms received, or written representations from certain reporting persons that no filings were required for such persons, we believe that during fiscal 2014 all Section 16(a) filing requirements applicable to our executive officers and directors were complied with, except as follows:

On October 9, 2013, Mr. Marchetti filed a late Form 4 to report 2,812 shares withheld to pay taxes upon the vesting of restricted share units on August 23, 2013.

On November 5, 2013, Dr. Gill filed a late Form 4 to report the sale of 3,265 ordinary shares on August 28, 2013.

On February 20, 2014, Mr. Marchetti filed a late Form 4 to report 1,017 shares withheld to pay taxes upon the vesting of restricted share units on January 16, 2014.

**OTHER MATTERS**

We know of no other matters to be submitted at the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons named in the enclosed proxy card to vote the shares they represent as our Board of Directors may recommend. Discretionary authority with respect to such other matters is granted by the execution of the enclosed proxy.

It is important your shares be represented at the Annual Meeting, regardless of the number of shares that you hold. You are, therefore, urged to vote by telephone, by using the Internet as instructed on the enclosed proxy card, or by executing and returning the enclosed proxy card in the envelope provided at your earliest convenience.

**THE BOARD OF DIRECTORS**

Palo Alto, California

October 24, 2014

**Table of Contents**



**Table of Contents**