

SANMINA-SCI CORP  
Form DEF 14A  
January 27, 2006  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o  
Check the appropriate box:

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

**Sanmina-SCI Corporation**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o 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:
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- o Fee paid previously with preliminary materials.
- o 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.
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**SANMINA-SCI CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on February 27, 2006**

The Annual Meeting of Stockholders of Sanmina-SCI Corporation ( Sanmina-SCI ) will be held on February 27, 2006, at 11:00 a.m., local time, at our corporate offices, located at 30 E. Plumeria Drive, San Jose, California, 95134 (telephone number 408-964-3500) for the following purposes (as more fully described in the Proxy Statement accompanying this Notice):

1. To elect directors of Sanmina-SCI Corporation.
2. To approve an amendment to Sanmina-SCI s 2003 Employee Stock Purchase Plan to increase the number of shares reserved for issuance under such plan by 6,000,000 shares to a new total of 15,000,000 shares.
3. To ratify the appointment of KPMG LLP as our independent registered public accountants for the fiscal year ending September 30, 2006.
4. To transact such other business as may properly come before the meeting.

Stockholders of record at the close of business on January 11, 2006 are entitled to vote at the Annual Meeting and are cordially invited to attend the meeting. However, to ensure your representation at the meeting, you are urged to mark, sign, and date and return the enclosed proxy as promptly as possible in the postage-prepaid envelope enclosed for that purpose. If you attend the meeting, you may vote in person even if you return a proxy.

FOR THE BOARD OF DIRECTORS

Christopher D. Mitchell  
*Secretary*

San Jose, California  
January 25, 2006

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**IMPORTANT**

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE AND PROMPTLY RETURN THE ENCLOSED PROXY IN THE ENVELOPE PROVIDED. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON, EVEN IF YOU RETURN A PROXY.**

**SANMINA-SCI CORPORATION**

**PROXY STATEMENT FOR  
2006 ANNUAL MEETING OF STOCKHOLDERS**

**INFORMATION CONCERNING VOTING AND PROXY SOLICITATION**

**General**

The enclosed proxy is solicited on behalf of the Board of Directors of Sanmina-SCI Corporation ( Sanmina-SCI ) for use at the Annual Meeting of Stockholders to be held on Monday, February 27, 2006 at 11:00 a.m., local time, or at any adjournment thereof. The Annual Meeting will be held at our corporate offices, located at 30 E. Plumeria Drive, San Jose, California, 95134. The telephone number at the meeting location is (408) 964-3500.

This Proxy Statement was mailed on or about January 27, 2006, to all stockholders entitled to vote at the meeting. Stockholders of record at the close of business on January 11, 2006 (the Record Date ) are entitled to vote at the meeting.

**Revocability of Proxies**

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to our secretary a written notice of revocation or a duly executed proxy bearing a later date or by attending the meeting and voting in person.

**Voting and Solicitation**

Each stockholder is entitled to one vote for each share held as of the Record Date. Stockholders will not be entitled to cumulate their votes in the election of directors.

The required quorum for the transaction of business at the Annual Meeting is a majority of the votes eligible to be cast by holders of shares of Common Stock issued and outstanding on the Record Date. Shares that are voted FOR, AGAINST or ABSTAIN are treated as being present at the meeting for purposes of establishing a quorum and are also treated as shares entitled to vote at the Annual Meeting (the Votes Cast ) with respect to such matter.

While there is no definitive statutory or case law authority in Delaware as to the proper treatment of abstentions, Sanmina-SCI believes that abstentions should be counted for purposes of determining both (i) the presence or absence of a quorum for the transaction of business and (ii) the total number of Votes Cast with respect to a proposal (other than the election of directors). In the absence of a controlling precedent to the contrary, Sanmina-SCI intends to treat abstentions in this manner. Accordingly, abstentions will have the same effect as a vote against the proposal.

Brokers may indicate on the enclosed proxy or its substitute that they do not have discretionary authority as to certain shares to vote on a particular matter for which they have not received specific instructions from the beneficial owner of the shares ( broker non-votes ). In a 1988 Delaware case, *Berlin v. Emerald Partners*, the Delaware Supreme Court held that, while broker non-votes should be counted for purposes of determining the presence or absence of a quorum for the transaction of business, broker non-votes should not be counted for purposes of determining the number of Votes Cast with respect to the particular proposal on which the broker has expressly not voted. Accordingly, we intend to

treat broker non-votes in this manner. Thus, a broker non-vote will not have any effect on the outcome of the voting on a proposal.

Except as described in the preceding paragraph, any proxy which is returned using the form of proxy enclosed and which is not marked as to a particular item will be voted for all matters submitted to a vote of stockholders at the Annual Meeting pursuant to this proxy statement. In addition, the proxy holders will vote as the proxy holders deem advisable, on other matters that may come before the meeting, as the case may be with respect to the items not marked.

The cost of soliciting proxies will be borne by us. We may retain the services of our transfer agent, Wells Fargo Shareholder Services, or other proxy solicitors to solicit proxies. In addition, we expect to reimburse brokerage firms and other persons representing beneficial owners of shares for their expense in forwarding solicitation material to such beneficial owners. Proxies may be solicited by certain of our directors, officers and regular employees, without additional compensation, in person or by telephone or facsimile.

#### **Stockholder Proposals for 2007 Annual Meeting of Stockholders**

Proposals that are intended to be presented by our stockholders at our annual meeting of stockholders following our fiscal year ending September 30, 2006 which will be our 2007 annual stockholders meeting, must be received by us at our principal executive offices no later than September 27, 2006 in order that they may be considered for inclusion in the proxy statement and form of proxy relating to that meeting. Under our bylaws, a proposal that a stockholder does not seek to include in Sanmina-SCI's proxy materials for the 2007 annual meeting but that may still be properly brought before the Fiscal 2006 annual meeting must be delivered to our secretary at our principal executive offices not less than 45 or more than 75 days prior to the annual meeting date; provided, however, that if the date of the 2007 annual meeting of stockholders is advanced more than 30 days prior to or delayed by more than 30 days after the 2006 annual meeting date (February 27), notice by the stockholder to be timely must be so delivered not later than the close of business on the later of (i) the 90th day prior to the 2006 annual meeting date or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made.

#### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

As of January 11, 2006, the Record Date, 532,192,201 shares of our Common Stock were issued and outstanding and held of record by approximately 2,234 stockholders.

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of January 11, 2006, as to

- each person who is known to us to beneficially own more than five percent of the outstanding shares of our Common Stock;
- each director and nominee for election;
- each executive officer named in the Summary Compensation Table below; and
- all directors and executive officers as a group.

Name	Shares Beneficially Owned(19)	Approximate Percent Owned(19)
AXA Financial, Inc. and certain affiliated entities(1) 1290 Avenue of the Americas New York, NY 10104	52,396,260	9.8 %
PEA Capital LLC(2) 1345 Avenue of the Americas, 49th Floor New York, New York 10105	43,424,000	8.2 %
Capital Research & Management Company(3) 3333 South Hope Street Los Angeles, CA 90071	39,192,930	7.4 %
Barclays Global Investors, NA. and certain affiliated entities(4) 45 Fremont St., 17th Floor San Francisco, CA 94104	28,913,630	5.4 %
FMR Corp. and certain affiliated entities and individuals(5) 82 Devonshire Street Boston, MA 02109	10,175,485	1.9 %
Jure Sola(6)	8,762,576	1.6 %
Randy Furr(7)	3,682,204	*
Hari Pillai(8)	1,205,052	*
David White(9)	356,667	*
Dennis Young(10)	269,732	*
Neil R. Bonke(11)	278,535	*
Alain Couder(12)	33,673	*
Mario M. Rosati(13)	177,563	*
A. Eugene Sapp, Jr.(14)	1,765,518	*
Wayne Shortridge(15)	154,252	*
Peter J. Simone(16)	67,209	*
Jacquelyn M. Ward(17)	162,611	*
All directors and executive officers as a group (15 persons)(18)	18,541,015	3.5 %

\* Less than 1%.

(1) This information is based solely on a Schedule 13G/A filed with the SEC on May 10, 2005 by AXA Assurances I.A.R.D. Mutually, AXA Assurances Vie Mutually, AXA Courage Assurance Mutually, AXA (on behalf of its subsidiary AXA Investment Managers Paris) and AXA Financial Inc. (on behalf of its three subsidiaries Alliance Capital Management L.P. ( Alliance ), The Equitable Life Assurance Society of the United States ( Equitable ) and Advert, Inc). Each reporting person is deemed to have sole voting power with respect to 30,226,660 shares, shared voting power with respect to 3,462,738 shares, sole disparities power with respect to 52,332,207 shares, and shared disparities power with respect to 64,053 shares. Of the 52,396,260 reported shares, 52,363,495 are owned by Alliance, 22,933 shares are owned by Equitable, 9,686 are owned by AXA Investment Managers Paris and 146 shares are owned by Advert, Inc. Alliance has sole voting power with respect to 30,216,974 shares, shared voting power with respect to 3,462,592 shares, sole disparities power with respect to 52,299,588 shares, and shared disparities power with respect to 63,907 shares. Equitable has only sole disparities power with respect to 22,933 shares. AXA Investment Managers Paris has sole voting power with respect to 9,686 shares and sole dispositive power with respect to 9,686 shares. Advest Inc. has shared voting power with respect to 146 shares and shared dispositive power with respect to 146 shares.



- (2) This information is based solely on a Schedule 13G/A filed with the SEC on February 14, 2005 by PEA Capital LLC ( PEA ). PEA is the beneficial owner of all of the reported shares, and has sole dispositive power with respect to all of the reported shares.
- (3) This information is based solely on a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2005 by Capital Research and Management Company ( Capital ). Capital is the beneficial owner of all of the reported shares, and has sole dispositive power with respect to all of the reported shares. Such number of shares includes 2,119,810 shares resulting from the assumed conversion of \$327,000,000 principal amount of the 0% Convertible Subordinated Debentures expired in 2005, and 1,463,120 shares resulting from the assumed conversion of \$60,500,000 principal amount of the 3% Convertible Subordinated Notes expiring 2007.
- (4) This information is based solely on a Schedule 13G filed with the SEC on February 14, 2005 by Barclays Global Investors, NA and its affiliated entities. Barclays Global Investors, NA is the beneficial owner of 22,257,071 shares and has sole voting power with respect to 19,457,217 shares and sole dispositive powers with respect to all reported shares. Barclays Global Fund Advisors, a wholly owned subsidiary, is the beneficial owner of 2,470,892 shares and has sole voting power with respect to 2,244,604 shares and sole dispositive powers with respect to all shares as an investment adviser. Barclays Global Investors, Ltd., a wholly owned subsidiary, is the beneficial owner of 3,721,986 shares, and has sole voting power with respect to 3,694,386 shares and sole dispositive power with respect to all reported shares. Barclays Global Investors Japan Trust and Banking Co., Ltd., a wholly owned subsidiary, is the beneficial owner of 435,825 shares, and has sole voting and dispositive power with respect to all reported shares. Barclays Capital Securities Ltd, a wholly owned subsidiary, is the beneficial owner of 27,774 shares, and has sole voting and dispositive powers with respect to 27,774 shares. Barclays Capital Inc., a wholly owned subsidiary, is the beneficial owner of 82 shares, and has sole voting and dispositive powers with respect to all reported shares.
- (5) This information is based solely on a Schedule 13G/A jointly filed with the SEC on February 14, 2005 by FMR Corp. ( FMR ), Edward C. Johnson III, Chairman of FMR, and Abigail P. Johnson, a director of FMR. Fidelity Management & Research Company ( Fidelity ), a wholly owned subsidiary of FMR is the beneficial owner of 9,603,829 shares as an investment adviser to various registered investment companies (the Fidelity Funds ), which includes 469,989 shares resulting from the assumed conversion of \$72,500,000 principal amount of Sanmina-SCI Corporation 0% Convertible Debentures. Each of Edward C. Johnson III, FMR, through its control of Fidelity, and the Fidelity Funds has sole power to dispose of 9,603,829 shares owned by such investment companies. Each of the Fidelity Funds boards of trustees has voting power over the shares held by each fund. Fidelity Management Trust Company ( FMTC ), a wholly owned subsidiary of FMR, is the beneficial owner of 570,856 shares, which includes 15,961 shares resulting from the assumed conversion of \$660,000 principal amount of the 3% Convertible Subordinated Notes expiring 2007. Edward C Johnson III and FMR, through its control of FMTC, has sole dispositive power over 570,856 shares, sole power to vote or direct the voting of 567,712 shares and no power to vote or to direct the voting of 3,144 shares of common stock. Strategic Advisers, Inc, a wholly owned subsidiary of FMR, is the beneficial owner of 800 shares. FMR, through its control of FMTC and Strategic Advisers, Inc, has sole power to dispose of 10,175,485 shares, sole power to vote or direct the voting of 569,152 shares and sole power to dispose all of the reported shares. Mr. Johnson and Ms. Johnson, who together own 36.5% of the outstanding voting stock of FMR, may be deemed to be a controlling group with respect to FMR.
- (6) Includes 5,585,736 shares subject to stock options Mr. Sola has the right to exercise within 60 days after January 11, 2006. Also includes 33,764 shares held by Sola Partners, L.P. and 1,000,000 shares of restricted stock subject to vesting and employment restrictions.



- (7) Includes 3,679,000 shares subject to stock options Mr. Furr has the right to exercise within 60 days after January 11, 2006. Mr. Furr's service as President and Chief Operating Officer terminated as of October 24, 2005. Pursuant to a severance agreement which we entered into with Mr. Furr in November 2005, Mr. Furr forfeited his restricted share award. In addition, Mr. Furr has the ability to exercise vested unexpired stock options through November 2008.
- (8) Includes 985,112 shares subject to stock options Mr. Pillai has the right to exercise within 60 days after January 11, 2006. Also includes 6,440 shares held by Ramakrishna Pillai C/F Sudha Yvonne Pillai and Sanjay Hari Pillai UTMA/CA, Ramakrishna Hari Pillai, as Custodian and 200,000 shares of restricted stock subject to vesting and employment restrictions.
- (9) Includes 256,667 shares subject to stock options Mr. White has the right to exercise within 60 days after January 11, 2006. Also includes 100,000 shares of restricted stock subject to vesting and employment restrictions.
- (10) Includes 158,834 shares subject to stock options Mr. Young has the right to exercise within 60 days after January 11, 2006. Also includes 100,000 shares of restricted stock subject to vesting and employment restrictions.
- (11) Includes 237,084 shares subject to stock options Mr. Bonke has the right to exercise within 60 days after January 11, 2006. Also includes 29,993 shares of restricted stock subject to vesting and employment restrictions.
- (12) Includes 21,667 shares subject to stock options Mr. Couder has the right to exercise within 60 days after January 11, 2006. Also includes shares held in the Sanmina-SCI Deferred Compensation Plan for Outside Directors.
- (13) Includes 141,042 shares subject to stock options Mr. Rosati has the right to exercise within 60 days after January 11, 2006. Also includes 9,000 shares held by Mario M. Rosati Retirement Trust, Mario M. Rosati, Trustee and 2,248 shares held by WS Investment Co. 99B of which Mr. Rosati is the Director.
- (14) Includes 1,410,667 shares subject to stock options Mr. Sapp has the right to exercise within 60 days after January 11, 2006. Also includes 226,391 shares held by Eugene and Patricia Sapp Charitable Remainder Unitrust, A. Eugene Sapp, Trustee and 19,660 shares of restricted stock subject to vesting and employment restrictions.
- (15) Includes 109,142 shares subject to stock options Mr. Shortridge has the right to exercise within 60 days after January 11, 2006. Also includes 29,993 shares of restricted stock subject to vesting and employment restrictions and shares held in the Sanmina-SCI Deferred Compensation Plan for Outside Directors.
- (16) Includes 41,667 shares subject to stock options Mr. Simone has the right to exercise within 60 days after January 11, 2006. Also includes 25,542 shares of restricted stock subject to vesting and employment restrictions.
- (17) Includes 86,858 shares subject to stock options Ms. Ward has the right to exercise within 60 days after January 11, 2006. Also includes 1,165 shares held by Arthur Lee Davis, 23,104 shares of restricted stock subject to vesting and employment restrictions and shares held in the Sanmina-SCI Deferred Compensation Plan for Outside Directors.
- (18) Includes an aggregate of 14,046,077 shares subject to stock options individuals have the right to exercise within 60 days after January 11, 2006.
- (19) Beneficial ownership is determined in accordance with the rules of the SEC based on factors, including voting and investment power, with respect to the securities. Common shares subject to



conversion or issuable upon exercise of options currently exercisable or exercisable within 60 days after January 11, 2006 are deemed outstanding for computing the percentage ownership of the person holding the options, but are not deemed outstanding for computing the percentage of any other person. The number of shares owned by certain of our executive officers listed in the table below includes unvested shares of restricted stock held by such executive officers as of January 11, 2006. Such unvested shares of restricted stock may be voted by the holders thereof, but such holders may not sell, transfer, pledge or otherwise receive any economic value from or with respect to such unvested shares.

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**PROPOSAL NO. 1:**

**ELECTION OF DIRECTORS**

Our Board of Directors currently consists of eight members. All eight positions on the Board of Directors are to be elected at this meeting. All eight nominees are currently members of the Board of Directors. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the eight nominees named below. If 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 shall be designated by the present Board of Directors to fill the vacancy. The company is not aware of any nominee who will be unable or will decline to serve as a director. If stockholders nominate additional persons for election as directors, the proxy holders will vote all proxies received by them to assure the election of as many of the Board's nominees as possible, with the proxy holder making any required selection of specific nominees to be voted for. The term of office of each person elected as a director will continue until the next annual meeting of stockholders or until that person's successor has been elected.

The Board of Directors recommends a vote for the nominees listed below:

<b>Name of Nominee</b>	<b>Age</b>	<b>Principal Occupation</b>	<b>Director Since</b>
Jure Sola			