

Fabrinet  
Form 8-K  
October 19, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

October 13, 2010

**Fabrinet**

(Exact name of registrant as specified in its charter)

Cayman Islands  
(State or other jurisdiction)

001-34775  
(Commission)

Not Applicable  
(IRS Employer)

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(Country of incorporation)

(File Number)

(Identification No.)

**Walker House**

**87 Mary Street**

**George Town**

**Grand Cayman**

**KY1-9005**

**Cayman Islands**

(Address of principal executive offices, including zip code)

**+66 2-524-9600**

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**  
***Fiscal 2011 Executive Incentive Plan***

On October 13, 2010, the Compensation Committee (the *Committee*) of the Board of Directors of Fabrinet (the *Company*) adopted an executive incentive plan (the *Bonus Plan*) for the *Company*'s fiscal year ending June 24, 2011 (*fiscal 2011*). The *Bonus Plan* is an incentive program designed to motivate participants to achieve the *Company*'s financial and other performance objectives, and to reward them for their achievements when those objectives are met. All of the *Company*'s executive officers pursuant to Section 16 of the Securities Exchange Act of 1934, as well as certain other employees of the *Company*, are eligible to participate in the *Bonus Plan* (individually, a *Participant*, and collectively, the *Participants*). The *Bonus Plan* provides for a target bonus amount expressed as a percentage of a *Participant*'s base salary. David T. Mitchell, our Chief Executive Officer and President, has a target bonus of 100% of base salary, and all other *Participants* have a target bonus of between 35% and 60% of base salary. The maximum bonus that a *Participant* may receive under the *Bonus Plan* ranges from 70% to 200% of base salary.

The amount of bonus actually paid to a *Participant* will be based 90% on achievement of revenue and GAAP-based earnings per share (*EPS*) for *fiscal 2011* and the remaining 10% will be determined by the *Committee* during early *fiscal 2011*. These goals with respect to the financial metrics require achievement of revenue for *fiscal 2011* in excess of \$618 million (which is the average of the forecasted revenues for the *Company* by its current three research analysts) and *EPS* for *fiscal 2011* in excess of \$1.54 per share (based on the forecasted *EPS* for the *Company* by its current three research analysts). Overachievement of both revenue and *EPS* is required in order for any portion of the bonus with respect to the financial metrics to be paid under the *Bonus Plan*. The target bonuses will become payable with respect to the financial metrics portion (90% of the target bonus amount) if the *Company* achieves revenue and *EPS* that both exceed these financial metrics by 10%. If the *Company* achieves revenue and *EPS* that exceed these metrics by 20% or more, the maximum bonus with respect to these performance goals will become payable (180% of the target bonus amount). Achievement of these goals at levels exceeding the financial metrics at between 0% and 20% will determine a bonus amount that is based on linear interpolation. The aggregate amount of bonuses payable under the *Bonus Plan* to *Participants* would be approximately \$1.4 million at target performance; the aggregate maximum amount of bonuses payable to *Participants* would be approximately \$2.7 million.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**FABRINET**

By: /s/ MARK J. SCHWARTZ  
**Mark J. Schwartz**

**Executive Vice President, Chief Financial Officer and  
Secretary**

Date: October 19, 2010