

SANMINA-SCI CORP  
Form DEF 14A  
December 19, 2003

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**SCHEDULE 14A  
(RULE 14A-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**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 Rule 14a-11(c) or Rule 14a-12

**Sanmina-SCI Corporation**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4) Proposed maximum aggregate value of transaction:
  - (5) Total fee paid:
- Fee paid previously with preliminary materials:
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:

(4) Date Filed:

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**SANMINA-SCI CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on January 26, 2004**

The Annual Meeting of Stockholders of Sanmina-SCI Corporation ( Sanmina-SCI ) will be held on Monday, January 26, 2004, 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 ratify the appointment of KPMG LLP as our independent auditors for the fiscal year ending October 2, 2004.
3. To transact such other business as may properly come before the meeting.

Stockholders of record at the close of business on December 1, 2003 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, 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  
December 19, 2003

**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.**

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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, January 26, 2004 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 December 19, 2003, to all stockholders entitled to vote at the meeting.

**Record Date and Stock Ownership**

Stockholders of record at the close of business on December 1, 2003 (the Record Date ) are entitled to vote at the meeting. As of December 1, 2003, 517,316,610 shares of our Common Stock were issued and outstanding and held of record by approximately 2,734 stockholders.

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of December 1, 2003, 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 officer named in the Summary Compensation Table below; and

all directors and executive officers as a group.

Name	Shares Beneficially Owned(1)	Approximate Percent Owned(1)
Capital Research and Management Company(11) 333 South Hope Street Los Angeles, CA 90071	63,090,660	12.1%
AXA Financial, Inc. and certain affiliated entities(12) 1290 Avenue of the Americas New York, NY 10104	56,465,060	10.9%
PIMCO Equity Advisors LLC(13) 1345 Avenue of the Americas, 49th Floor New York, NY 10105	28,506,600	5.5%
FMR Corp. and certain affiliated entities and individuals(14) 82 Devonshire Street Boston, MA 02109	27,543,333	5.3%
Mellon Financial Corporation and certain affiliated entities(15) One Mellon Bank Center 500 Grant Street Pittsburgh, PA 15258	26,721,022	5.2%
Jure Sola(2)(4)	7,199,482	1.4%
Randy W. Furr(2)(6)	3,423,226	*



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Name	Shares Beneficially Owned(1)	Approximate Percent Owned(1)
Rick R. Ackel(2)(7)	519,132	*
Hari Pillai(2)(8)	510,874	*
Stephen F. Bruton(2)(9)	400,640	*
Mario M. Rosati(2)(10)	115,898	*
John C. Bolger(2)	145,625	*
Neil R. Bonke(2)	215,997	*
A. Eugene Sapp, Jr.(2)(5)	1,043,627	*
Wayne Shortridge(2)(3)	67,437	*
Peter J. Simone		*
Bernard V. Vonderschmitt(2)(3)	370,478	*
Jacqueline M. Ward (2)(3)	64,231	*
All directors and executive officers as a group (15 persons)(2)(3)	14,579,162	2.8%

\* Less than 1%.

- (1) 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 December 1, 2003 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.
- (2) Includes stock options individuals have the right to exercise within 60 days after December 1, 2003.
- (3) Includes shares held in the Sanmina-SCI Deferred Compensation Plan for Outside Directors.
- (4) Includes 33,764 shares held by Sola Partners, L.P. and 1,000,000 shares of restricted stock subject to vesting and employment restrictions.
- (5) Includes 226,391 shares held by Eugene and Patricia Sapp Charitable Remainder Unitrust, A. Eugene Sapp, Trustee.
- (6) Includes 500,000 shares of restricted stock subject to vesting and employment restrictions.
- (7) Includes 160,000 shares of restricted stock subject to vesting and employment restrictions.
- (8) 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 86,337 shares held by The Bruton Family Trust, Stephen F. Bruton and Lori R. Bruton, as Trustees and 100,000 shares of restricted stock subject to vesting and employment restrictions.
- (10) 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.
- (11) This information is based solely on a Schedule 13G/ A filed with the Securities and Exchange Commission (the SEC ) on February 13, 2003 by Capital Research and Management Company ( Capital ). Capital has beneficial ownership of all of the reported shares, and has sole dispositive power with respect to all of the reported shares. Such number of shares includes 2,781,140 shares resulting from the assumed conversion of \$115,000,000 principal amount of SCI Systems, Inc. 3% Convertible Subordinated Notes due 2007 ( 2007 Notes ), and 2,119,810 shares resulting from the assumed conversion of \$327,000,000 principal amount of Sanmina-SCI Corporation Zero Coupon Convertible Subordinated Debentures due 2020 ( 2020 Debentures ).
- (12)



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This information is based solely on a Schedule 13G/ A filed with the SEC on August 8, 2003 by AXA Assurances I.A.R.D. Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, AXA and AXA Financial Inc. (on behalf of its two subsidiaries Alliance Capital Management L.P.

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( Alliance ) and The Equitable Life Assurance Society of the United States ( Equitable ). Each reporting person is deemed to have sole voting power with respect to 21,192,930 shares, shared voting power with respect to 25,820,146 shares, sole dispositive power with respect to 56,456,375 shares, and shared dispositive power with respect to 8,685 shares. Of the 56,465,060 reported shares, 56,424,660 are owned by Alliance, and 40,400 shares are owned by Equitable. Alliance has sole voting power with respect to 21,161,380 shares, shared voting power with respect to 25,820,146 shares, sole dispositive power with respect to 56,415,975 shares, and shared dispositive power with respect to 8,685 shares. Equitable has sole voting power with respect to 31,100 shares and sole dispositive power with respect to 40,400 shares.

- (13) This information is based solely on a Schedule 13G filed with the SEC on February 14, 2003 by PIMCO Equity Advisors LLC ( PIMCO ). PIMCO has sole voting power and sole dispositive power with respect to all of the reported shares.
- (14) This information is based solely on a Schedule 13G/ A jointly filed with the SEC on February 13, 2003 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 25,427,537 shares as an investment adviser to various registered investment companies (the Fidelity Funds ), which includes 976,300 shares resulting from the assumed conversion of \$40,370,000 principal amount of 2007 Notes, 4,863,299 shares resulting from the assumed conversion of \$107,805,000 principal amount of Sanmina-SCI Corporation 4 1/4% Convertible Subordinated Notes due 2004 ( 2004 Notes ), and 1,040,038 shares resulting from the assumed conversion of \$160,435,000 principal amount of 2020 Debentures. Each of Edward C. Johnson III, FMR, through its control of Fidelity, and the Fidelity Funds has sole power to dispose of 25,427,537 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 1,126,462 shares, which includes 147,134 shares resulting from the assumed conversion of \$6,084,000 principal amount of 2007 Notes, 180,448 shares resulting from the assumed conversion of \$4,000,000 principal amount of 2004 Notes, and 51,050 shares resulting from the assumed conversion of \$7,875,000 principal amount of 2020 Debentures. Each of Mr. Johnson and FMR, through its control of FMTC, has sole power to dispose of 1,126,462 shares, sole power to vote 919,760 shares and no power to vote 206,702 shares. Strategic Advisers, Inc., a wholly-owned subsidiary of FMR, is the beneficial owner of 486 shares. Geode Capital Management, LLC, whose managers are certain shareholders and employees of FMR, is the beneficial owner of 1,898 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. Fidelity International Limited ( FIL ) is the beneficial owner of 986,950 shares, which number includes 21,765 shares resulting from the assumed conversion of \$900,000 principal amount of 2007 Notes, 6,767 shares resulting from the assumed conversion of \$150,000 principal amount of 2004 Notes, and 6,418 shares resulting from the assumed conversion of \$990,000 principal amount of 2020 Debentures. FIL has the sole power to vote and dispose of 986,940 shares. Mr. Johnson is the Chairman of FIL, and through a partnership with members of his family, has the power to vote 38.89% of FIL voting stock.
- (15) This information is based solely on a Schedule 13G filed with the SEC on February 14, 2003 by Mellon Financial Corporation ( Mellon ) and certain of its subsidiaries. Mellon and such subsidiaries have sole voting power with respect to 20,000,505 shares, shared voting power with respect to 1,325,220 shares, sole dispositive power with respect to 25,976,819 shares, and shared dispositive power with respect to 423,910 shares.

**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.

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### **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, for which we estimate that we would pay fees not to exceed an aggregate of \$20,000. 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 2005 Annual Meeting**

Proposals that are intended to be presented by our stockholders at the 2005 Annual Meeting must be received by us at our principal executive offices no later than August 20, 2004 in order that they may be included 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 the Company's proxy materials for fiscal 2005 but that may still be properly brought before the fiscal 2005 annual meeting must be delivered to the Secretary of the Company at the Company's principal executive offices not less than 45 or more than 75 days prior to December 19, 2004; provided, however, that if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after January 26, 2005, 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 such annual meeting or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made.

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Our Board of Directors currently consists of ten members. All ten positions on the Board of Directors are to be elected at this meeting. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the ten 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	52	Chairman and Chief Executive Officer of Sanmina-SCI Corporation	1989
John C. Bolger	57	Private Investor	1994
Neil R. Bonke	61	Private Investor	1995
Randy W. Furr	49	President and Chief Operating Officer of Sanmina-SCI Corporation	1999
Mario M. Rosati	57	Member, Wilson Sonsini Goodrich & Rosati	1997
A. Eugene Sapp, Jr.	67	Former Co-Chairman of Sanmina-SCI Corporation	2001
Wayne Shortridge	65	Partner, Paul, Hastings, Janofsky & Walker LLP	2001
Peter J. Simone	55	Independent Consultant	2003
Bernard V. Vonderschmitt	80	Retired Chairman of the Board of Xilinx, Inc.	1990
Jacqueline M. Ward	65	Outside Managing Director, Intec Telecom Systems, USA	2001

Mr. Sola has served as our chief executive officer since April 1991, as chairman of our board of directors from April 1991 to December 2001 and from December 2002 to present, and co-chairman of our board of directors from December 2001 to December 2002. In 1980 Mr. Sola co-founded Sanmina and initially held the position of vice president of sales. In October 1987, he became vice president and general manager of Sanmina, responsible for manufacturing operations and sales and marketing. In July 1989, Mr. Sola was elected as a director and in October 1989 was appointed as president of Sanmina. In March 1996, Mr. Sola relinquished the title of president when Mr. Furr was appointed to the position.

Mr. Bolger has served as a director of our company since 1994. Mr. Bolger has been a private investor for the past ten years and is the retired vice president of finance and administration of Cisco Systems, Inc., a manufacturer of computer networking systems. Mr. Bolger serves as a director of Wind River Systems, Inc., a software company, Integrated Device Technology, Inc., a semiconductor company and Mission West Properties, Inc., a real estate investment trust, all publicly held companies. Mr. Bolger is a certified public accountant.

Mr. Bonke has served as a director of our company since 1995. Mr. Bonke has been a private investor for the past five years and is the retired chairman of the board and chief executive officer of Electroglas, Inc., a semiconductor equipment manufacturer. He also serves on the Board of Directors of Boxer Cross Inc. and SpeedFam IPEC, Inc., both semiconductor equipment companies. He is a past director of San Jose State University Foundation.

Mr. Furr has served as a director of our company since December 1999 and as our president and chief operating officer since March 1996. In August 1992, Mr. Furr joined our company as vice president and chief

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financial officer. He also serves as a director of a privately held company. Mr. Furr is a certified public accountant.

Mr. Rosati has served as a director of our company since 1997. He has been a member of the law firm Wilson Sonsini Goodrich & Rosati, Professional Corporation since 1971. Mr. Rosati is a director of Aehr Test Systems, a manufacturer of computer hardware testing systems, Genus, Inc., a semiconductor equipment manufacturer, Symyx Technologies, Inc., a combinatorial materials science company, and Vivus, Inc., a specialty pharmaceutical company, all publicly-held companies. He is also a director of a number of privately held companies.

Mr. Sapp served as co-chairman of the Sanmina-SCI Board of Directors from December 2001 to December 2002 and continues to serve as a director of Sanmina-SCI. In 1962, Mr. Sapp joined SCI and after holding several positions, was promoted to president and chief operating officer in 1981. In July 1999, Mr. Sapp was appointed chief executive officer of SCI and served as chairman of the board and chief executive officer from July 2000 until our merger with SCI.

Mr. Shortridge has served as a director of our company since December 2001. From 1992 until we merged with SCI, he served as director of SCI. Mr. Shortridge is an attorney and since 1994 has been a partner in the law firm of Paul, Hastings, Janofsky & Walker LLP in Atlanta, Georgia.

Mr. Simone has served as a director of our company since December 2003. He currently serves as a director of Cymer, Inc., Zoran Corporation, Newport Corporation and several private companies. He is also an independent consultant to several private companies and the investment community. Mr. Simone was Executive Chairman of SpeedFam-IPEC, Inc., a semiconductor equipment company, from June 2001 to December 2002. He served as a director, President and consultant to Active Controls eXperts, Inc., a supplier of precision motion control and smart structures technology, from January 2000 to February 2001. He served as President, CEO and director of Xionics Document Technologies, Inc., a provider of embedded software solutions for printer and copier OEMs, from April 1997 until January 2000. From 1992 through 1996 Mr. Simone served as Group Vice President of Simplex Time Recorder Company, Inc., a supplier of time management, building life safety and security software/hardware solutions. From 1974 through 1992, Mr. Simone held various management positions, including President and director of GCA Corporation, a manufacturer of semiconductor photolithography capital equipment.

Mr. Vonderschmitt has served as a director of our company since October 1990. In 1984, he co-founded Xilinx, Inc., a manufacturer of field programmable gate array semiconductor products and related system software. From February 1984 through February 1996, he served as chief executive officer and as a director of Xilinx, Inc. and served as the chairman of its board of directors from February 1996 until his retirement in 2003.

Ms. Ward has served as a director of our company since December 2001. From 1992 until we merged with SCI, she served as a director of SCI. Ms. Ward also serves as a director of Anthem, Inc., Bank of America Corporation, Equifax, Inc., a credit information service, Flowers Foods, Inc., a baking company, PRG Schultz International, Inc., a recovery audit service provider, and SYSCO Corporation, a food service distributor, all publicly held companies. Since December 2000, Ms. Ward has been the Outside Managing Director of Intec Telecom Systems, USA, a provider of turnkey telecommunication systems and products. From 1970 to 2000, she was a founder and served as President, Chief Executive Officer and Chairman of Computer Generation Incorporated.

There are no family relationships among our directors or executive officers.

**Board Meetings, Committees and Director Compensation**

The Board of Directors held 13 meetings during the fiscal year ended September 27, 2003. No nominee who was a director during the entire fiscal year attended fewer than 75 percent of the meetings of the Board of Directors or of committees on which such person served.

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. From time to time, the Board has created various ad hoc committees for special purposes. No such committee is currently functioning.

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### ***Audit Committee***

The Audit Committee consists of directors Neil Bonke, John Bolger and Bernard Vonderschmitt. Mr. Bolger is the chairman of the Audit Committee.

The Audit Committee reviews and monitors our corporate financial reporting and external audit, including, among other things, our control functions, the results and scope of the annual audit and other services provided by our independent auditors and our compliance with legal matters that have a significant impact on our financial reports. The Audit Committee also reviews and monitors our internal audit function and receives regular reports from the internal audit department. The Audit Committee also consults with our management and our independent auditors prior to the presentation of financial statements to stockholders and, as appropriate, initiates inquiries into various aspects of our financial affairs. In addition, the Audit Committee is responsible for considering and recommending the appointment of our independent auditors. The Audit Committee held eight meetings in the last fiscal year. All members of the Audit Committee are independent (as independence is defined in Rule 4200(a)(15) of the listing standards for the Nasdaq Stock Market, the principal trading market of our Common Stock). Mr. Bolger meets the definition of audit committee financial expert as defined by the Securities and Exchange Commission. The Annual Report of the Audit Committee appears hereafter under Report of the Audit Committee of the Board of Directors.

### ***Compensation Committee***

The Compensation Committee consists of directors Neil Bonke, Wayne Shortridge and Jacqueline Ward. Mr. Bonke is the chairman of the Compensation Committee.

The Compensation Committee reviews and makes recommendations to the Board concerning salaries and incentive compensation for our executive officers and certain employees. The Compensation Committee also approves all stock option and other equity compensation awards for our executive officers and also considers and evaluates overall compensation policies and strategies for the company. The Compensation Committee held three meetings during the last fiscal year.

*Compensation Committee Interlocks and Insider Participation.* The current members of the Compensation Committee are Neil Bonke, Wayne Shortridge and Jacqueline Ward, none of whom are employees of the Company. During fiscal 2003, Neil Bonke, Wayne Shortridge, Jacqueline Ward and Bernard Vonderschmitt served as members of the Compensation Committee, none of whom were employees of the Company. Mr. Vonderschmitt began fiscal 2003 as a member of the Compensation Committee, and due to a change in the composition of the Company's Audit Committee the Board of Directors appointed Mr. Shortridge to the Compensation Committee to replace Mr. Vonderschmitt on the Compensation Committee. No person who was an employee of the Company in fiscal 2003 served on the Compensation Committee. During fiscal 2003, no executive officer of the Company (i) served as a member of the compensation committee (or other board committee performing similar functions or, in the absence of any such committee, the board of directors) of another entity, one of whose executive officers served on the Company's Compensation Committee, (ii) served as a director of another entity, one of whose executive officers served on the Company's Compensation Committee, or (iii) served as a member of the compensation committee (or other board committee performing similar functions or, in the absence of any such committee, the board of directors) of another entity, one of whose executive officers served as a director of the Company.

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

The Nominating and Governance Committee consists of directors Mario Rosati, Wayne Shortridge and Bernard Vonderschmitt. Mr. Shortridge is chairman of the Nominating and Governance Committee. The Nominating and Governance Committee held three meetings during the last fiscal year.

The Nominating and Governance committee is responsible for both nominating and governance functions. Nominating functions include development of general criteria regarding the qualifications and selection of board members and the recommendation of candidates for election to the Board. Governance functions include development of overall governance guidelines for the Board of Directors and the Company, overseeing and evaluating the overall performance of the Board of Directors and the chief executive officer, and executive recruitment, development and succession planning. The Nominating and Governance Commit-



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tee considers suggestions from many sources, including stockholders, regarding possible candidates for director. Stockholders may nominate Director candidates for consideration by writing to the Nominating and Governance Committee, c/o the Corporate Secretary, Sanmina-SCI Corporation, 2700 N. First Street, San Jose, California, 95134, and providing the candidate's name, biographical data, qualifications and the candidate's written consent to being named as a nominee in the Company's Proxy Statement and to serve as a Director if elected.

***Director Compensation***

In fiscal 2003, directors who were not our employees ( Outside Directors ) were paid an annual retainer of \$10,000, a fee of \$2,000 for attending each board meeting and a fee of \$1,000 for attending each committee meeting. In fiscal 2004, Outside Directors will be paid an annual retainer of \$50,000. In fiscal 2004, each Outside Director who is a member of a committee of the Board will also receive an annual retainer of \$10,000, and any Outside Director who is a Chairperson of any committee of the Board will receive an additional annual retainer of \$10,000; provided that these amounts will be increased by 33 1/3% for any director electing to take his or her entire retainer in the form of restricted common stock. In addition to those amounts, in fiscal 2004 each Outside Director attending a committee meeting held on a day not involving a meeting of the Board will receive an additional payment of \$1,500 per meeting.

In June 2002, the Board approved the establishment of the Sanmina-SCI Deferred Compensation Plan for Outside Directors, which provides eligible directors an opportunity to defer payment of all or part of their compensation payable to them for acting as our directors. The directors are also reimbursed for travel and related expenses incurred by them in attending board and committee meetings.

Upon first becoming a director, each new Outside Director is eligible for a discretionary stock option grant to purchase up to 20,000 shares of Common Stock under our 1999 Stock Option Plan. In addition, each continuing Outside Director currently receives (provided that such Outside Director has been a director for at least four months prior to such grant), on October 1 of each year, an annual grant of an option to purchase up to 20,000 shares of Common Stock.

**Required Vote**

The 10 nominees receiving the highest number of affirmative votes will be elected as directors.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS VOTING FOR THE NOMINEES TO THE BOARD LISTED ABOVE.**

**PROPOSAL NO. 2:**

**RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS**

The Audit Committee has approved, subject to stockholder ratification, the selection of KPMG LLP as our independent auditors for the fiscal year ending October 2, 2004.

The Board of Directors confirmed the Audit Committee's selection of KPMG LLP as our independent auditors to audit the financial statements of Sanmina-SCI for the fiscal year ending October 2, 2004. The affirmative vote of holders of a majority of the shares of Common Stock represented at the meeting and voting is necessary to ratify the appointment of KPMG LLP as our independent auditors. In the event of a negative vote, the Board of Directors will reconsider its selection. Representatives of KPMG LLP are expected to be present at the Annual Meeting, with the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

On April 18, 2002, the Audit Committee determined that it would replace Arthur Andersen LLP as our independent auditors and engaged KPMG LLP as our independent auditors for the fiscal year 2002. During our fiscal year ended September 29, 2001 and the interim period from September 30, 2001 through April 18, 2002, there were no disagreements between us and Arthur Andersen LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to Arthur Andersen LLP's satisfaction, would have caused Arthur Andersen LLP to make reference to the



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matter of the disagreement in connection with its reports. The audit reports of Arthur Andersen LLP on our consolidated financial statements for the fiscal year ended September 29, 2001 did not contain any adverse opinion or disclaimer of opinion, nor were these opinions qualified or modified as to uncertainty, audit scope or accounting principles. No reportable event, as described in Item 304(a)(1)(v) of Regulation S-K, has occurred during the fiscal year ended September 29, 2001 or the interim period from September 30, 2001 through April 18, 2002.

During our fiscal year ended September 29, 2001, and in the interim period from September 30, 2001 through April 18, 2002, we have not consulted with KPMG LLP regarding (i) either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, and neither a written report nor oral advice was provided to us that KPMG LLP concluded was an important factor in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) the subject of any disagreement, as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions or reportable event.

The following is a summary of fees paid to KPMG for the years ended September 27, 2003 and September 28, 2002:

**Audit Fees**

The aggregate fees billed for professional services rendered by KPMG for the audit of our annual consolidated financial statements, statutory audits, and the reviews of the condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q for the years ended September 27, 2003 and September 28, 2002 were as follows:

<b>Year Ended September 27, 2003</b>	<b>Year Ended September 28, 2002</b>
\$3,217,000	\$ 1,975,000

**Audit-Related Fees**

The aggregate fees billed for non-audit services, exclusive of the fees disclosed above relating to audit fees, rendered by KPMG during the fiscal years ended September 27, 2003 and September 28, 2002 are set forth in the table below. These services include the reaudit of our fiscal 2001 and 2000 consolidated financial statements, assistance and audit report consent issuance for various filings with the SEC and other services.

<b>Year Ended September 27, 2003</b>	<b>Year Ended September 28, 2002</b>
\$2,981,000	\$ 273,000

**Tax Fees**

The aggregate fees billed for tax services rendered by KPMG during the fiscal years ended September 27, 2003 and September 28, 2002 are set forth below. These services consisted primarily of tax compliance and tax consultation services.

<b>Year Ended September 27, 2003</b>	<b>Year Ended September 28, 2002</b>
\$104,000	\$ 1,589,000

**Table of Contents****All Other Fees**

The aggregate fees billed for all other services, exclusive of the fees disclosed above relating to audit and non-audit fees, rendered by KPMG during the fiscal years ended September 27, 2003 and September 28, 2002 are set forth below. These other services in fiscal 2003 consisted primarily of assistance with Sanmina-SCI's initiative to document key internal controls over financial reporting pursuant to the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and audits of our benefit plans.

<b>Year Ended September 27, 2003</b>	<b>Year Ended September 28, 2002</b>
\$939,000	\$

The Audit Committee has concluded that the non-audit services provided by KPMG are compatible with maintaining the independence of KPMG.

**Audit Committee Pre-approval Policy with respect to Audit and Permissible Non-Audit Services**

All audit and non-audit services provided by the Company's independent auditors require prior approval of the Audit Committee, with limited exceptions as permitted by the Securities and Exchange Commission's Rule 2-01 of Regulation S-X. Management periodically reports to the audit committee services for which the independent auditors have been engaged and the aggregate fees incurred and to be incurred. During fiscal 2003, all services provided by the independent auditors were pre-approved by the Audit Committee in accordance with this policy.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS VOTING FOR THE RATIFICATION OF KPMG LLP AS OUR INDEPENDENT AUDITORS FOR THE FISCAL YEAR ENDING OCTOBER 2, 2004.****Report of the Audit Committee of the Board of Directors**

The principal purpose of the Audit Committee is to assist the Board of Directors in its general oversight of the company's financial reporting process. The Audit Committee's purpose is more fully described in its charter, which the Audit Committee reviews on an annual basis. Under this charter, the Audit Committee consists of at least three directors, all of whom must qualify as independent directors under the rules of the Nasdaq Stock Market. The Audit Committee currently consists of directors Neil Bonke, John Bolger and Bernard Vonderschmitt.

The Audit Committee recommends to the Board of Directors, subject to stockholder ratification, the selection of KPMG LLP ( KPMG ) as our independent auditors for fiscal year 2004.

Management is responsible for the internal controls and the financial reporting process. KPMG, our independent auditors, are responsible for performing an independent audit of our financial statements in accordance with generally accepted auditing standards and expressing an opinion on the conformity of those audited financial statements in accordance with generally accepted accounting principles. The Audit Committee's responsibility is to monitor and oversee these processes.

The Audit Committee has reviewed the audited financial statements for fiscal 2003 and has met and held discussions with management regarding the audited financial statements. Management has represented to the Audit Committee that our financial statements were prepared in accordance with generally accepted accounting principles.

The Audit Committee discussed with KPMG the overall scope and plans for their respective audits. The Audit Committee met with KPMG, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of our financial reporting.

The Audit Committee reviewed with KPMG their judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee by Statement on Auditing Standards No. 61 Communication with Audit Committees. KPMG also provided



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to the Audit Committee the written disclosures required by Independence Standards Board Standard No. 1 Independence Discussions with Audit Committees. The Audit Committee has also discussed with KPMG the firm's independence. In addition, the Audit Committee has considered whether the nonaudit services provided by KPMG are compatible with maintaining KPMG's independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board of Directors approved) that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended September 27, 2003 for filing with the Securities and Exchange Commission. The Audit Committee has also approved, subject to stockholder ratification, the selection of KPMG as our independent auditors for the fiscal year ending October 2, 2004.

Respectfully submitted,

The Audit Committee of the Sanmina-SCI  
Corporation Board of Directors

John Bolger, Chairman  
Neil Bonke  
Bernard Vonderschmitt

**EXECUTIVE COMPENSATION****Compensation Tables**

*Summary Compensation Table.* The following table sets forth the compensation paid by us to the Chief Executive Officer and each of the four other most highly compensated executive officers of Sanmina-SCI, for each of the three fiscal years in the period ended September 27, 2003.

Name And Principal Position	Fiscal Year	Annual Compensation		Long-Term Compensation Awards of	All Other Compensation
		Salary(\$)	Bonus(\$)	Options (# of Shares)	(\$)(1)
Jure Sola	2003	\$ 550,000	\$ 450,000	100,000	\$ 58,828
Chief Executive Officer	2002	550,000		1,100,000	55,797
and Co-Chairman of the Board	2001	546,654		380,000	55,240
Randy W. Furr	2003	\$ 425,000	\$ 527,000(2)	70,000	\$ 34,964
President, Chief Operating Officer	2002	425,000		880,000	32,824
	2001	423,942		300,000	32,267
Rick R. Ackel	2003	\$ 300,000	\$ 200,000	30,000	\$ 15,482
Executive Vice President	2002	300,000		385,000	9,443
and Chief Financial Officer	2001	300,000	180,000	30,000	10,906
Hari Pillai	2003	\$ 300,000	\$ 200,000	345,000	\$ 26,958
President and General Manager	2002	253,000		290,000	22,629
EMS Division	2001	252,366		85,000	22,396
Stephen F. Bruton	2003	\$ 262,500	\$ 100,000	270,000	\$ 29,585
President and General Manager	2002	250,000		200,000	24,136
PCB Fabrication Division	2001	248,683		80,000	25,194

(1) Includes car allowance, premium payments for executive life, medical and dental insurance and company 401(k) matching contributions.

(2) Represents an extraordinary bonus awarded to Mr. Furr as further described under *Certain Relationships and Related Transactions* below. Mr. Furr's actual bonus for fiscal 2003 was \$350,000.

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*Option Grants in Last Fiscal Year.* The following table sets forth each grant of stock options made during the fiscal year ended September 27, 2003 to each executive officer named in the Summary Compensation Table above.

Name	Options Granted(1)(#)	% of Total Options Granted to Employees In Fiscal 2003	Exercise or Base Price Per Share(1)	Expiration Date	Stock Price Appreciation for Option Term(2)	
					5%(\$)	10%(\$)
Jure Sola	100,000	0.4%	\$ 2.09	10/28/2012	\$ 131,502	\$ 333,252
Randy W. Furr	70,000	0.3%	\$ 2.09	10/28/2012	\$ 92,051	\$ 233,276
Rick R. Ackel	30,000					