

Avago Technologies LTD  
Form DEF 14A  
February 22, 2011

**Table of Contents**

**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 ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

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

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to  
§240.14a-12

**AVAGO TECHNOLOGIES LIMITED  
(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

..

Fee paid previously with preliminary materials.

..

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

---

**Table of Contents**

**AVAGO TECHNOLOGIES LIMITED  
(Incorporated in the Republic of Singapore)  
(Company Registration Number 200510713C)**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
To Be Held on March 30, 2011**

To our shareholders:

You are cordially invited to attend, and NOTICE IS HEREBY GIVEN of, the 2011 Annual General Meeting of Shareholders (the 2011 AGM ) of Avago Technologies Limited ( Avago or the Company ), which will be held at the offices of Avago's principal U.S. subsidiary, Avago Technologies U.S. Inc., 350 West Trimble Road, San Jose, California 95131, U.S.A., at 11:00 a.m., Pacific Time, on Wednesday, March 30, 2011, for the following purposes:

**As Ordinary Business**

1. To elect each of the following directors to the board of directors (the Board ):

- (a) Mr. Hock E. Tan;
- (b) Mr. Adam H. Clammer;
- (c) Mr. James A. Davidson;
- (d) Mr. James V. Diller;
- (e) Mr. Kenneth Y. Hao;
- (f) Mr. John M. Hsuan;
- (g) Mr. David Kerko;
- (h) Ms. Justine F. Lien;
- (i) Mr. Donald Macleod; and
- (j) Mr. Bock Seng Tan.

- 2. To approve the re-appointment of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm and independent Singapore auditor for the fiscal year ending October 30, 2011 ( Fiscal Year 2011 ), and to authorize the Audit Committee of the Board to fix PricewaterhouseCoopers LLP's remuneration for services provided through our 2012 Annual General Meeting of Shareholders (the 2012 AGM ).

**As Special Business**

3. To pass the following as an Ordinary Resolution:

RESOLVED THAT, approval be and is hereby given for the Company to provide the following cash compensation to directors for service on the Board and its committees during the period from March 31, 2011 through the date on which our 2012 AGM is held, and for each 12-month period thereafter:

(a) annual cash compensation of \$50,000 to each of our non-employee directors, other than the Chairperson of the Board, and cash compensation of \$80,000 to the independent Chairperson of the Board;

---

**Table of Contents**

(b) additional annual cash compensation of \$25,000 to the chairperson of the Audit Committee, provided that such person is an independent director;

(c) additional annual cash compensation of \$15,000 to the chairperson of the Compensation Committee, provided that such person is an independent director;

(d) additional annual cash compensation of \$12,500 to the chairperson of the Nominating and Corporate Governance Committee, provided that such person is an independent director;

(e) additional annual cash compensation of \$10,000 to each of our independent directors in respect of each of the foregoing committees of the Board on which they serve, other than service as chairperson of any such committee of the Board; and

(f) appropriate pro rata cash compensation, based on the annual cash compensation set forth in (a) to (e) above, as applicable, to any new non-employee director who is appointed by the Board, any independent director who is appointed to the position of Chairperson of the Board or chairperson of any such committee of the Board, provided that such person is an independent director, or any independent director who is appointed to serve on any such committee of the Board, in each case, after the date of our 2011 AGM, for their services rendered as directors and/or committee members for any period less than 12 months.

4. To consider and put to a non-binding, advisory vote, the following resolution:

RESOLVED THAT shareholders approve the compensation of the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K promulgated by the U.S. Securities and Exchange Commission, set forth in Compensation Discussion and Analysis and in the compensation tables and accompanying narrative disclosure under Executive Compensation in the Company's proxy statement relating to the 2011 AGM.

This resolution is being proposed to shareholders as required pursuant to Section 14A of the U.S. Securities Exchange Act of 1934, as amended. The shareholders' vote on this resolution is advisory and non-binding in nature, will have no legal effect and will not be enforceable against the Company or the Board.

5. To consider and put to a non-binding, advisory vote the following resolution:

RESOLVED THAT the shareholders recommend that a non-binding, advisory vote to approve the compensation of the Company's named executive officers be put to shareholders for their consideration with one of the following three frequencies:

(a) every one year;

(b) every two years; or

(c) every three years.

This resolution is being proposed to shareholders as required pursuant to Section 14A of the U.S. Securities Exchange Act of 1934, as amended. The shareholders' vote on this resolution is advisory and non-binding in nature, will have no legal effect and will not be enforceable against the Company or the Board.

6. To pass the following as an Ordinary Resolution:

RESOLVED THAT, pursuant to the provisions of Section 161 of the Companies Act, Chapter 50 of Singapore (the Singapore Companies Act ), and also subject to the provisions of that Act and our Articles of Association, authority be, and hereby is, given to our Board to:

(a) at any time to and/or with such persons and upon such terms and conditions and for such consideration as our directors may in their sole discretion deem fit, and with such rights or restrictions as our directors may think fit to impose, to:

- (i) allot and issue ordinary shares in our capital; and/or
  - (ii) make or grant offers, agreements, options or other instruments (including the grant of awards or options pursuant to our equity-based incentive plans in effect as at the date of this resolution) that might or would require ordinary shares to be allotted and issued, whether
-

**Table of Contents**

such allotment or issuance would occur during or after the expiration of this authority (including, but not limited to, the creation and issuance of warrants, rights, units, purchase contracts, debentures or other instruments (including debt instruments) convertible into ordinary shares); and

(b) allot and issue ordinary shares in our capital pursuant to any offer, agreement, option or other agreement made, granted or authorized by our directors while this resolution was in effect, regardless of whether the authority conferred by this resolution may have ceased to be in effect at the time of the allotment and issuance and that such authority, if approved by our shareholders, shall continue in effect until the earlier of the conclusion of our 2012 AGM or the expiration of the period within which our 2012 AGM is required by law to be held.

7. To pass the following resolution as an Ordinary Resolution:

RESOLVED THAT, pursuant to the provisions of Sections 76C and 76E of the Singapore Companies Act and also subject to the provisions of that Act and our Articles of Association:

(a) authority be, and hereby is, given to our Board to cause to be purchased or otherwise acquired issued ordinary shares in the capital of the Company, not exceeding in aggregate the number of issued ordinary shares representing 10% (or such other higher percentage as the Minister may by notification prescribe pursuant to the Singapore Companies Act) of the total number of ordinary shares in the capital of the Company outstanding as of (x) March 31, 2010 (the date of our last Annual General Meeting of Shareholders) or (y) the date of the passing of this resolution, whichever is greater, at such price or prices as may be determined by our Board from time to time up to the maximum purchase price described in paragraph (c) below, by way of:

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

(b) unless varied or revoked by our shareholders in a general meeting, the authority conferred on our Board pursuant to the mandate contained in paragraph (a) above may be exercised by our Board at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:

- (i) the date on which our 2012 AGM is held; or
- (ii) the date by which our 2012 AGM is required by law to be held;

(c) the maximum purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which may be paid for an ordinary share purchased or acquired by us pursuant to the mandate contained in paragraph (a) above, shall not exceed:

- (i) in the case of a market purchase of ordinary shares, the highest independent bid per share or the last independent transaction price per share, whichever is higher, of our ordinary shares quoted or



reported on the Nasdaq Global Select Market at the time the purchase is effected; and

- (ii) in the case of an off-market purchase pursuant to an equal access scheme, 150% of the Prior Day Close Price, and for the above purposes, the term Prior Day Close Price means the closing price per share of our ordinary shares as quoted on the Nasdaq Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may, for the time being, be listed and quoted on the day immediately preceding the date of the making
-

**Table of Contents**

of the offer pursuant to the off-market purchase. The date of the making of the offer refers to the date on which we announce our intention to make an offer for the purchase or acquisition of our ordinary shares from holders of our ordinary shares, stating therein the purchase price (which shall not be more than the maximum purchase price calculated on the foregoing basis) for each ordinary share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

- (d) our directors and/or any of them be and are hereby authorized to complete and do, or cause to be completed or done, all such acts and things (including executing such documents as may be required) as one or more may consider expedient or necessary to give effect to the transactions contemplated and/or authorized by this resolution.

**As Ordinary Business**

8. To transact any other business as may properly be transacted at the 2011 AGM.

**Notes About the 2011 Annual General Meeting of Shareholders**

*Singapore Financial Statements.* At the 2011 AGM, our shareholders will have the opportunity to discuss and ask questions regarding our Singapore audited accounts for the fiscal year ended October 31, 2010, together with the reports of the directors and auditors thereon, in compliance with the laws of Singapore. Shareholder approval of our audited accounts is not being sought by the proxy statement for the 2011 AGM (the Proxy Statement ) and will not be sought at the 2011 AGM.

*Eligibility to Vote at Annual General Meeting of Shareholders; Receipt of Notice.* The Board has fixed the close of business on February 9, 2011, as the record date for determining those shareholders who will be entitled to receive copies of this notice and accompanying Proxy Statement. However, only shareholders of record on March 30, 2011, will be entitled to vote at the 2011 AGM. If you have sold or transferred all of your ordinary shares of the Company, you should immediately forward this Proxy Statement and the accompanying proxy card to the purchaser or transferee, or to the bank, broker or agent through whom the sale was effected, for onward transmission to the purchaser or transferee.

*Quorum.* The attendance, in person or by proxy, of at least a majority of our outstanding ordinary shares at the 2011 AGM is required to constitute a quorum. Accordingly, it is important that your shares be represented at the 2011 AGM, either in person or by proxy.

*Proxies.* A registered shareholder, or shareholder of record, entitled to attend and vote at the 2011 AGM is entitled to appoint a proxy to attend the meeting and vote on his or her behalf. A proxy need not also be a shareholder. **Whether or not you plan to attend the meeting, please complete, date and sign the enclosed proxy card and return it in the enclosed envelope.** If not delivered in person at the 2011 AGM, a proxy card must be received by us c/o Proxy Services, c/o Computershare Investor Services LLC, P.O. Box 43101, Providence, RI 02940-5067, not less than 48 hours before the time appointed for holding the 2011 AGM. By completing and submitting your proxy, you are legally designating the individuals named in the proxy card Hock E. Tan, Douglas R. Bettinger and Patricia H. McCall (together, the Proxy Holders ) to vote your shares in accordance with the instructions you have indicated on the proxy. If you sign and return your proxy but do not indicate how your shares are to be voted, then the Proxy Holders will vote as the Board recommends on each proposal. It is not expected that any additional matters will be brought before the 2011 AGM, but if other matters are properly presented at the 2011 AGM or any adjournment thereof, the Proxy Holders will vote your shares in their discretion on such matters. A shareholder of record may revoke his or her proxy at any time prior to the time it is voted. Shareholders of record who are present at the meeting may revoke their proxies and vote in person or, if they prefer, may abstain from voting in person and allow their

proxies to be voted.

If your shares are held in street name through a broker, bank or other nominee, you are considered the beneficial owner of those shares and you have the right to instruct your broker, bank or other nominee, who is the registered shareholder of those shares, on how to vote the shares in your account. Your broker, bank or nominee will send you a voting instruction form for you to use to direct how your shares should be voted.

---

**Table of Contents**

*Mandatory Disclosure Regarding Share Purchase Mandate Funds.* Only funds legally available for purchasing or acquiring ordinary shares in accordance with our Articles of Association and applicable laws of Singapore will be used to repurchase our ordinary shares if Proposal 7 (the 2011 Share Purchase Mandate ) is approved. In the event that we elect to purchase or acquire any of our ordinary shares, depending on the number of ordinary shares repurchased or acquired and then current market, business and other relevant conditions, we may use our internal sources of funds and/or external borrowings to finance any such purchases or acquisitions.. The amount of funds required for us to purchase or acquire our issued ordinary shares, and the impact on our financial position will depend on the number of ordinary shares we purchase or acquire and the price at which we make such purchases. Our directors do not propose to exercise the 2011 Share Purchase Mandate in a manner and to such an extent that would materially affect our working capital requirements and those of our subsidiaries.

**Important Notice Regarding the Internet Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on March 30, 2011:**

**The proxy statement and annual report to shareholders are available at  
<http://phx.corporate-ir.net/phoenix.zhtml?c=203541&p=proxy>.**

By Order of the Board,

Hock E. Tan  
Director, Chief Executive Officer and President

February 22, 2011

**You should read the entire accompanying Proxy Statement carefully prior to voting.**

---

**AVGO TECHNOLOGIES LIMITED**  
**PROXY STATEMENT**  
**FOR**  
**2011 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TABLE OF CONTENTS**

	<b>Page</b>
<u>ELECTRONIC DELIVERY OF OUR SHAREHOLDER COMMUNICATIONS</u>	i
<u>INTERNET AVAILABILITY OF PROXY MATERIALS</u>	i
<u>VOTING RIGHTS AND SOLICITATION OF PROXIES</u>	1
<u>PROPOSAL 1:</u>	
ELECTION OF DIRECTORS	4
<u>CORPORATE GOVERNANCE</u>	8
<u>DIRECTORS' COMPENSATION</u>	14
<u>PROPOSAL 2:</u>	
APPROVAL OF THE RE-APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND INDEPENDENT SINGAPORE AUDITOR FOR FISCAL YEAR 2010 AND AUTHORIZATION OF THE AUDIT COMMITTEE TO FIX ITS REMUNERATION	17
<u>PROPOSAL 3:</u>	
ORDINARY RESOLUTION TO APPROVE NON-EMPLOYEE DIRECTORS' CASH COMPENSATION	19
<u>PROPOSAL 4:</u>	
NON-BINDING, ADVISORY VOTE ON EXECUTIVE COMPENSATION	20
<u>PROPOSAL 5:</u>	
NON-BINDING, ADVISORY VOTE ON THE FREQUENCY OF SHAREHOLDERS' VOTE ON EXECUTIVE COMPENSATION	21
<u>PROPOSAL 6:</u>	
ORDINARY RESOLUTION TO AUTHORIZE ORDINARY SHARE ALLOTMENTS AND ISSUANCES	22
<u>PROPOSAL 7:</u>	
ORDINARY RESOLUTION TO APPROVE THE 2011 SHARE PURCHASE MANDATE	23
<u>EXECUTIVE OFFICERS</u>	27
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	28
<u>EXECUTIVE COMPENSATION</u>	39
<u>COMPENSATION COMMITTEE REPORT</u>	48
<u>AUDIT COMMITTEE REPORT</u>	49
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND EXECUTIVE OFFICERS</u>	50
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	55
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	59
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	59
<u>SHAREHOLDER PROPOSALS FOR THE 2012 ANNUAL GENERAL MEETING</u>	60
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	60
<u>OTHER MATTERS</u>	61
<u>INDEX TO SINGAPORE STATUTORY FINANCIAL STATEMENTS</u>	S-i

DRIVING DIRECTIONS

---

A-i

**Table of Contents**

**ELECTRONIC DELIVERY OF OUR SHAREHOLDER COMMUNICATIONS**

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

1. If you are a registered holder (i.e. you hold your Avago ordinary shares in your own name through our transfer agent, Computershare Investor Services), visit: [www-us.computershare.com/investor/](http://www-us.computershare.com/investor/) to enroll.
2. If you are a beneficial holder (i.e. your shares are held by a brokerage firm, a bank or a trustee), the voting instruction form provided by most banks or brokers will contain instructions for enrolling in electronic delivery.

Your electronic delivery enrollment will be effective until you cancel it. If you have questions about electronic delivery, please call our Investor Relations department at (408) 435-7400.

**INTERNET AVAILABILITY OF PROXY MATERIALS**

**Important Notice Regarding the Internet Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on March 30, 2011:**

**The notice of meeting, proxy statement and annual report to shareholders are available at <http://phx.corporate-ir.net/phoenix.zhtml?c=203541&p=proxy>.**

**Table of Contents**

**PROXY STATEMENT  
for the  
2011 ANNUAL GENERAL MEETING  
of  
SHAREHOLDERS  
of  
AVAGO TECHNOLOGIES LIMITED**

**To Be Held on Wednesday, March 30, 2011**

**11:00 a.m. (Pacific Time)**

**at the offices of Avago's principal U.S. subsidiary, Avago Technologies U.S. Inc.,  
350 West Trimble Road, San Jose, California 95131, U.S.A.**

We are making this Proxy Statement available in connection with the solicitation by the board of directors of Avago (the Board) of proxies to be voted at the 2011 Annual General Meeting of Shareholders (the 2011 AGM), or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders (the Notice). Unless the context otherwise requires, references in this Proxy Statement to Avago, the Company, we, our, us and similar terms are to Avago Technologies Limited.

*Proxy Mailing.* This Proxy Statement, the enclosed Proxy Card and the Notice were first made available on or about February 22, 2011 to shareholders of record as of February 9, 2011.

*Costs of Solicitation.* The entire cost of soliciting proxies will be borne by us. We and/or our agents may solicit proxies by mail, telephone, e-mail, fax or in person. Certain of our officers and employees may solicit the submission of proxies authorizing the voting of shares in accordance with the Board's recommendations. Such solicitations may be made by telephone, facsimile transmission or personal solicitation. No additional compensation will be paid to such officers, directors or regular employees for such services. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred by them in sending proxy materials to shareholders.

*Our Registered Office.* The mailing address of our registered office is 1 Yishun Avenue 7, Singapore 768923. Please note, however, that any shareholder communications should be directed to the attention of our General Counsel at the offices of Avago Technologies U.S. Inc., 350 W. Trimble Road, Building 90, San Jose, California 95131, U.S.A.

*Financial Statements; Presentation.* We have prepared, in accordance with the laws of Singapore, Singapore statutory financial statements, which are included with this Proxy Statement. Except as otherwise stated herein, all monetary amounts in this Proxy Statement have been presented in U.S. dollars.

**VOTING RIGHTS AND SOLICITATION OF PROXIES**

The close of business on February 9, 2011, is the record date for shareholders entitled to notice of the 2011 AGM. All of our ordinary shares issued and outstanding on March 30, 2011, are entitled to be voted at the 2011 AGM, and shareholders of record on March 30, 2011 will have one vote for each ordinary share so held on the matters to be voted upon. As of February 9, 2011, we had 244,051,333 ordinary shares issued and outstanding.

*Proxies.* Ordinary shares represented by proxies in the accompanying form, which are properly executed and received by us in accordance with the instructions set forth in the Notice, will be voted by the individuals named therein—Hock E. Tan, Douglas R. Bettinger and Patricia H. McCall (together, the Proxy Holders)—at the 2011 AGM in accordance with the shareholders' instructions set forth in the proxy. A proxy holder need not also be a shareholder.





**Table of Contents**

**If you sign and return your proxy but do not indicate how your shares are to be voted, then shares represented by proxies will be voted by the Proxy Holders in accordance with the Board's recommendations, as follows:**

**FOR the election of the Board nominees named in Proposal 1;**

**FOR Proposals 2, 3, 4, 6 and 7; and**

**every THREE YEARS for Proposal 5.**

Management does not know of any matters to be presented at the 2011 AGM other than those set forth in this Proxy Statement and in the Notice accompanying this Proxy Statement, nor have we received notice of any matter by the deadline prescribed by Securities and Exchange Commission (SEC) Rule 14a-4(c). Without limiting our ability to apply the advance notice provisions in our Articles of Association with respect to the procedures which must be followed for a matter to be properly presented at an annual general meeting, if other matters should properly come before the 2011 AGM, the Proxy Holders will vote on such matters in accordance with their best judgment.

Any shareholder of record entitled to attend and vote at the 2011 AGM, has the right to revoke his or her proxy at any time prior to voting at the 2011 AGM by (i) submitting a subsequently dated proxy, which, if not delivered in person at the meeting, must be received by us c/o Proxy Services, c/o Computershare Investor Services LLC, P.O. Box 43101, Providence, RI 02940-5067, no later than 48 hours before the appointed time of the meeting, or (ii) by attending the meeting and voting in person.

If your ordinary shares are held in street name through a broker, bank, or other nominee, you are considered the beneficial owner of those shares and you have the right to instruct your broker, bank or other nominee, who is the registered shareholder of those shares, on how to vote the shares in your account. Your broker, bank or nominee will send you a voting instruction form for you to use to direct how your shares should be voted. If you wish to change or revoke your voting instructions, you will need to contact the registered holder of your ordinary shares and follow their instructions. If you are not the shareholder of record, you may not vote your shares in person at the 2011 AGM unless you obtain a legal proxy from the broker, bank or other nominee that holds your shares, giving you the right to vote the shares instead of the broker, bank or other nominee holding your shares. If your shares are held in the name of a broker, trust, bank or other nominee, in order to be admitted to the 2011 AGM you will also need to bring a letter or recent account statement from that broker, bank or other nominee that confirms that you are the beneficial owner of those shares, as well as a picture identification, such as a valid driver's license or passport, for purposes of personal identification.

*Quorum.* Representation at the 2011 AGM, in person or by proxy, of at least a majority of all issued and outstanding ordinary shares is required to constitute a quorum.

*Abstentions and Broker Non-Votes.* If a shareholder abstains from voting, including brokers that cause abstentions to be recorded upon the instructions of their customers whose shares they hold as of record, or if a broker may not vote ordinary shares held by it because the broker (1) has not received voting instructions from its customer who beneficially owns those shares and (2) lacks discretionary voting power to vote those shares (a broker non-vote), these shares are considered present and entitled to be voted at the 2011 AGM, and, therefore, are considered for purposes of determining whether a quorum is present. Under our Articles of Association, for a proposal being voted on as an ordinary resolution, abstentions will have the same effect as a vote against the proposal. A broker non-vote is treated as not being entitled to vote on the relevant proposal and is not counted for purposes of determining whether a proposal has been approved.

A broker is entitled to vote shares held for a beneficial owner on routine matters, which include all of the proposals to be voted on at the 2011 AGM, other than Proposal 1 (the election of directors), Proposal 4, (non-binding, advisory vote on executive compensation) and Proposal 5, (non-binding, advisory vote on the frequency of shareholders' vote on executive compensation), without instructions from the beneficial owner of those shares. Without instructions from the beneficial owner, a broker will not be entitled to vote shares held for a beneficial owner on Proposals 1, 4 and 5, which are non-routine matters.

**Table of Contents**

*Required Vote.* With respect to Proposal 1 (the election of directors), nominees receiving the highest number of affirmative votes of the ordinary shares present in person or represented by proxy at the 2011 AGM and entitled to vote shall be elected, provided that such number of affirmative votes shall not be less than at least a majority of the ordinary shares held by the shareholders present in person or represented by proxy at the 2011 AGM and entitled to vote on the proposal.

The affirmative vote of shareholders holding at least a majority of the ordinary shares held by the shareholders present in person or represented by proxy at the 2011 AGM and entitled to vote is required to approve Proposal 2 (the re-appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm and independent Singapore auditor), to approve the ordinary resolutions contained in Proposals 3 (directors' compensation), 6 (authorization of ordinary share allotments and issuances) and 7 (approval of the 2011 share purchase mandate), and to approve Proposal 4 (non-binding, advisory vote on executive compensation). With respect to Proposal 5 (non-binding, advisory vote on the frequency of shareholders' vote on executive compensation), the frequency alternative receiving the greatest number of votes, even if not a majority of the ordinary shares held by the shareholders present in person or represented by proxy at the 2011 AGM and entitled to vote, will be considered the frequency that has been recommended by shareholders.

Proposals 4 and 5 are being proposed to shareholders as required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act). Shareholders' votes on Proposals 4 and 5 are advisory and non-binding in nature, will have no legal effect and will not be enforceable against the Company or the Board.

*Voting Procedures and Tabulation.* We have appointed a representative of Computershare Investor Services LLC as the inspector of elections to act at the 2011 AGM and to make a written report thereof. Prior to the 2011 AGM, the inspector will sign an oath to perform his or her duties in an impartial manner and according to the best of his or her ability. The inspector will ascertain the number of ordinary shares outstanding and the voting power of each, determine the ordinary shares represented at the 2011 AGM and the validity of proxies and ballots, count all votes and ballots, and perform certain other duties. The determination of the inspector as to the validity of proxies will be final and binding.

**Table of Contents**

**PROPOSAL 1:  
ELECTION OF DIRECTORS**

**General**

Pursuant to the Companies Act, Chapter 50 of Singapore (the Singapore Companies Act ) and our Articles of Association, our Board must have at least one director who is ordinarily resident in Singapore. Pursuant to our Articles of Association, our Board may consist of no more than 13 directors. Each of our directors is elected annually.

**Shareholder Agreement**

We are party to a Second Amended and Restated Shareholder Agreement (the Shareholder Agreement ), dated as of August 11, 2009, with investment funds affiliated with Kohlberg Kravis Roberts & Co. ( KKR ), and investment funds affiliated with Silver Lake Partners ( Silver Lake ), and together with KKR, the Sponsors ), Bali Investments S.à.r.l. ( Bali ), an entity controlled by investment funds affiliated with KKR and Silver Lake, Seletar Investments Pte Ltd ( Seletar ), Geyser Investment Pte. Ltd. ( Geyser ) and certain other persons, (collectively referred to as the Equity Investors ). As of February 14, 2011, the Equity Investors together owned approximately 37.4% of our outstanding share capital.

Under the terms of the Shareholder Agreement, our Board must consist of 11 members, unless otherwise agreed upon by the Sponsors. Currently our Board is comprised of ten members, with one vacancy. The Board has the power to appoint directors to fill any vacancies on the Board. KKR and Silver Lake each currently have the right to designate two of the members of our Board, one member must be our Chief Executive Officer and three of the remaining members must be mutually agreed upon by KKR and Silver Lake. Each of KKR and Silver Lake also has the right to designate one member to each committee of the Board for as long as they have the right to designate one or more director nominees to the Board, and subject to compliance with federal securities laws and the requirements of the Nasdaq Stock Market. The terms of the Shareholder Agreement further require the Equity Investors to vote their ordinary shares in a manner that gives effect to the provisions of the Shareholder Agreement, at any annual or special meeting of shareholders. See Certain Relationships and Related Party Transactions Second Amended and Restated Shareholder Agreement on page 55 for more information regarding the Shareholder Agreement.

**Director Nominees**

Directors are elected at each annual general meeting of shareholders and hold office until their successors are duly elected or qualified. Upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated the ten individuals below for election as directors, each of whom is currently a director of the Company. The Board expects that each of the nominees listed below will be available to serve as a director. Shareholders may not vote their proxies for a greater number of persons than the number of nominees named below.

In considering whether the director nominees have the experience, qualifications, attributes and skills, taken as a whole, to serve as directors of the Company, in light of the Company's business and structure, the Nominating and Corporate Governance Committee and the Board focused primarily on the information discussed in each of the director nominee's biographical information set forth below. The Board believes that each nominee has relevant experience, personal and professional integrity, the ability to make independent, analytical inquiries, experience with and understanding of our business and business environment and willingness and ability to devote adequate time to Board duties. We also believe that our directors together have the skills and experience to form a board that is well suited to oversee the Company.



**Table of Contents**

The following table sets forth certain information concerning the nominees for directors of the Company as of February 22, 2011.

**Hock E. Tan**

Age 59  
President, Chief  
Executive Officer  
Director since  
March 2006

Mr. Tan has served as our President, Chief Executive Officer and a director since March 2006. From September 2005 to January 2008, he served as chairman of the board of directors of Integrated Device Technology, Inc. ( IDT ). Prior to becoming chairman of IDT, Mr. Tan was the President and Chief Executive Officer of Integrated Circuit Systems, Inc. ( ICS ), from June 1999 to September 2005. Prior to ICS, Mr. Tan was Vice President of Finance with Commodore International, Ltd. from 1992 to 1994, and previously held senior management positions with PepsiCo, Inc. and General Motors Corporation. Mr. Tan served as managing director of Pacven Investment, Ltd., a venture capital fund in Singapore from 1988 to 1992, and served as managing director for Hume Industries Ltd. in Malaysia from 1983 to 1988. Mr. Tan's qualifications to serve on the Board include his role as the Chief Executive Officer of the Company, his extensive career in the technology industry in general and in the semiconductor industry in particular, including service as the chairman of the board of directors of a publicly-traded semiconductor company, and his extensive knowledge of the Company's business developed over the course of his career at Avago.

**Adam H. Clammer**

Age 40  
Director since  
September 2005

Since October 2009, Mr. Clammer has been a Member of KKR Management L.L.C., which is the general partner of KKR & Co. L.P. From January 2006 to September 2009, he was a Member of KKR & Co. L.L.C., which during that time was the general partner of Kohlberg Kravis Roberts & Co. L.P. Mr. Clammer was a Director of Kohlberg Kravis Roberts & Co. L.P. from December 2003 to December 2005. Prior to that he was a Principal of Kohlberg Kravis Roberts & Co. L.P. between 1998 and 2003, having begun his career at Kohlberg Kravis Roberts & Co. in 1995. From 1992 to 1995, Mr. Clammer was in the Mergers and Acquisitions Department at Morgan Stanley & Co. Mr. Clammer also serves as a director of Eastman Kodak Company and NXP B.V. and previously served as a director of Medcath Corporation from May 2002 to April 2008 and of Jazz Pharmaceuticals, Inc. from February 2004 to October 2007. Mr. Clammer was nominated and elected to the Board as a KKR nominee pursuant to our Shareholder Agreement. Mr. Clammer has experience managing and advising enterprises like the Company and is familiar with corporate finance, strategic business planning activities, risk management and corporate governance.

**James A. Davidson**

Age 51  
Director since  
December 2005

Mr. Davidson is a Managing Director and Co-Chief Executive of Silver Lake, a private investment firm that he co-founded in 1999. From June 1990 to November 1998, he was an investment banker with Hambrecht & Quist LLC, most recently serving as a Managing Director and Head of Technology Investment Banking. From 1984 to 1990, Mr. Davidson was an attorney in private practice with Pillsbury, Madison & Sutro. Mr. Davidson also serves as a director of Flextronics International Ltd. Mr. Davidson served as a director of Seagate Technologies plc (formerly Seagate Technology) from November 2000 until December 2007. Mr. Davidson was nominated and elected to the Board as a Silver Lake nominee pursuant to our Shareholder Agreement. Mr. Davidson has been an active adviser to, and investor in, technology industries for more than 25 years.

**James V. Diller**

Age 75

Director since

April 2006

Mr. Diller was a founder of PMC-Sierra, Inc., serving as PMC's Chief Executive Officer from 1983 to July 1997 and President from 1983 to July 1993. Mr. Diller has been a director of PMC since its formation in 1983. Mr. Diller was Chairman of PMC's board of directors from July 1993 until February 2000, when he became Vice Chairman. Mr. Diller also serves as a director of Intersil Corporation. Mr. Diller's qualifications to serve on the Board include his more than 50 years of experience in semiconductor company management and oversight in positions such as Chief Executive Officer, President and General Manager and chairman of the board of directors, and his experience as a product development engineer.



**Table of Contents**

**Kenneth Y. Hao**

Age 42

Director since  
September 2005

Mr. Hao is a Managing Director of Silver Lake. Prior to joining Silver Lake in 2000, Mr. Hao was an investment banker with Hambrecht & Quist for 10 years, most recently serving as a Managing Director in the Technology Investment Banking group. Mr. Hao previously served as a director of NetScout Systems, Inc. from November 2007 until September 2008. Mr. Hao was nominated and elected to the Board as a Silver Lake nominee pursuant to our Shareholder Agreement. Mr. Hao has spent his career investing in and advising technology companies.

**John M. Hsuan**

Age 58

Director since  
February 2011

Mr. Hsuan's career has spanned over 30-year career in the semiconductor industry. He spent over 20 years with United Microelectronics Corporation, and served as its President and Chief Executive Officer, and as Chairman of its board of directors, from 1991 until 2003, and as Vice Chairman of its board of directors from 2003 to 2005. Mr. Hsuan also serves on the boards of directors of a number of publicly-traded semiconductor and technology companies in Taiwan and in Canada, and currently serves as the Emeritus Vice Chairman of United Microelectronic Corporation. Mr. Hsuan holds a Bachelor's Degree in Electronic Engineering and an Honorary Ph.D. Degree from National Chiao Tung University in Taiwan, and has been awarded a substantial number of patents in the United States and Taiwan. Mr. Hsuan's qualifications to serve on the Board include his extensive semiconductor industry background and senior management experience, including global operations management and strategy, as well as his technical engineering expertise.

**David Kerko**

Age 37

Director since  
March 2008

Since December 2006, Mr. Kerko has been a Director of Kohlberg Kravis Roberts & Co. L.P. He was a Principal of Kohlberg Kravis Roberts & Co. L.P. between 2002 and 2006, having begun his career at Kohlberg Kravis Roberts & Co. in 1998. Prior to joining KKR, Mr. Kerko was with Gleacher NatWest Inc. Mr. Kerko also serves as a director of Trident Microsystems, Inc. Mr. Kerko was nominated and elected to the Board as a KKR nominee pursuant to our Shareholder Agreement. Mr. Kerko has experience managing and advising enterprises like the Company and in matters relating to strategic and financial planning, corporate finance and risk management.

**Justine F. Lien**

Age 48

Director since  
June 2008

Ms. Lien served as the Chief Financial Officer, Vice President of Finance, Treasurer, and Secretary of Integrated Circuit Systems, Inc., or ICS, after the company's recapitalization on May 11, 1999 and served in these capacities through September 2005 when ICS merged with Integrated Device Technologies, Inc., following which Ms. Lien retired. She joined ICS in 1993 holding titles including Director of Finance and Administration and Assistant Treasurer. Ms. Lien served as a director of Techwell, Inc. from January 2006 until July 2010, where she also served as the chairperson of the audit committee. Ms. Lien holds a B.A. degree in accounting from Immaculata College and an M.T. degree in taxation from Villanova University, and is a certified management accountant. Ms. Lien's qualifications to serve on the Board include her career in senior financial management positions with, and on the board of directors of, semiconductor companies, and her education and training as an accounting professional.

**Donald Macleod**

Age 62

Director since  
November 2007

Mr. Macleod joined National Semiconductor Corporation in February 1978 and has served as its President and Chief Executive Officer since November 2009. Prior to that, he served as its President and Chief Operating Officer from the beginning of 2005 until November 2009, and before that he held various other executive and senior management

positions at National Semiconductor Corporation including Executive Vice President and Chief Operating Officer and Executive Vice President, Finance and Chief Financial Officer. Mr. Macleod has also served as the Chairman of the board of directors of National Semiconductor Corporation since May 2010. Mr. Macleod's qualifications to serve on the Board include his more than 30 years of experience in senior management and executive positions in the semiconductor industry, both in Europe and in the United States, and his accounting and finance qualifications and experience.

**Table of Contents**

**Bock Seng Tan**

Age 67

Director since  
April 2006

Mr. Tan was the Chairman of ST Assembly and Test Services Ltd. from 1998 until his retirement in 2003. Previously, Mr. Tan was the President and Chief Executive Officer of Chartered Semiconductor Manufacturing, Ltd. from 1993 to 1997. Mr. Tan was the Managing Director for Fairchild Semiconductor International, Inc. in Singapore from 1986 to 1988, and served as the Managing Director of National Semiconductor Corporation's Singapore operations until 1992 after Fairchild's merger with National Semiconductor. Mr. Tan started his career at Texas Instruments in Singapore in 1969. Mr. Tan was nominated and elected to the Board as Seletar's nominee pursuant to our Shareholder Agreement. Mr. Tan's qualifications to serve on the Board include his extensive experience in senior management and executive positions at various companies in the semiconductor industry.

Pursuant to the Shareholder Agreement, KKR has designated Messrs. Clammer and Kerko to serve as members of our Board; Silver Lake has designated Messrs. Davidson and Hao to serve as members of our Board. Mr. Bock Seng Tan was originally appointed to serve as a member of our Board as the designee of Seletar, which, under the Shareholder Agreement, had the right to designate one member of the Board as long as they held at least 5.0% of our outstanding ordinary shares. However, with effect from January 21, 2011, Seletar ceased to own 5.0% of our outstanding ordinary shares and no longer has the right to designate a director to our Board. The Sponsors previously approved the appointment of Messrs. Diller and Macleod and Ms. Lien to the Board. Mr. Hsuan was appointed to the Board in accordance with the procedures of the Nominating and Corporate Governance Committee and in accordance with the Shareholder Agreement.

Messrs. Bock Seng Tan and Hsuan are our Singapore resident directors. Due to the Singapore Companies Act requirement that we have at least one director who is ordinarily resident in Singapore in office at all times, in the event that neither of our Singapore resident directors is elected at the 2011 AGM, one of these directors will continue in office after the 2011 AGM as a member of the Board until his qualifying successor is appointed. In such event, the Board, excluding the Singapore resident directors, will determine which Singapore resident director would be such continuing member.

In the event that a director resigns from the Board or otherwise becomes unwilling or unable to serve after the mailing of this Proxy Statement but before the 2011 AGM, our intention would be to make a public announcement of such resignation and either leave such Board seat vacant or appoint a substitute nominee. If such Board seat were left vacant, this would reduce the number of director nominees to be elected at the 2011 AGM. Votes received in respect of such director would not be counted in such circumstances. In the event that we instead propose to elect a different director nominee at the 2011 AGM to fill any such vacancy, it is intended that the shares represented by the proxy will be voted for such substitute nominee as may be designated by the Board.

There are no family relationships between any of our directors or executive officers.

**The Board recommends a vote FOR the election of each of the director nominees listed above to the Board.**

**Table of Contents**

**CORPORATE GOVERNANCE**

**Board of Directors and Independence of Directors**

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

Our Board has undertaken a review of the independence of each director and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. The Board has made the determination that transactions or relationships between the Company and an entity where a director of the Company serves as a non-employee director and/or is the beneficial owner, directly or indirectly of less than 10% of such entity, or where a director of the Company serves on a non-employee advisory board of, or in a non-employee advisory capacity to, such an entity are presumed immaterial for the purposes of assessing a director's independence. As a result of its review, our Board determined that Messrs. Diller, Hsuan, Macleod and Bock Seng Tan and Ms. Lien, representing five of our ten directors nominated for election, are independent directors as defined under the applicable rules and regulations of the SEC and the Nasdaq Stock Market.

Currently, Mr. Hock E. Tan serves as President and Chief Executive Officer and Mr. Diller, an independent director, serves as Chairman of our Board. The Board believes that Avago and its shareholders are best served by this leadership structure because it is valuable to have strong independent leadership to assist the Board in fulfilling its role of overseeing the management of Avago and its risk management practices, separate from the Chief Executive Officer position.

Our Board held a total of four meetings during the fiscal year ended October 31, 2010 ( Fiscal Year 2010 ). During Fiscal Year 2010, all directors attended at least 75% of the aggregate of the total number of meetings of our Board together with the total number of meetings held by all committees of our Board on which he or she served, counting only those meetings during which such person was a member of our Board and of the respective committee, except for John R. Joyce, who resigned from our Board effective March 26, 2010. All committee members attended over 75% of the total number of meetings held by the committees of our Board on which they served, counting only those meetings during which such persons were members of the respective committee. Our non-employee directors and our independent directors meet at regularly scheduled executive sessions without management participation.

Our Board has adopted a policy that encourages each director to attend the annual general meeting of our shareholders. All but one of our directors attended our 2010 Annual General Meeting of Shareholders. Mr. Bock Seng Tan was unable to attend due to a conflicting commitment.

**Director Retirement Age**

Under Sections 153(2) and (6) of the Singapore Companies Act, the office of a director of a public company becomes vacant at the conclusion of the annual general meeting of shareholders first held after such director attains the age of 70 years, and any re-appointment of such director must be approved by our shareholders by ordinary resolution.

**Shareholder Communications With Our Board**

Shareholders may communicate with our Board at the following address:

The Board of Directors  
c/o General Counsel  
Avago Technologies U.S. Inc.  
350 West Trimble Road, Building 90  
San Jose, CA 95131  
U.S.A.

**Table of Contents**

Communications are distributed to the Board or to any individual director, as appropriate, depending on the facts and circumstances outlined in the communication. Communications that are unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is excluded will be made available to any non-employee director upon request.

**Controlled Company Status**

Prior to December 10, 2010, we were a controlled company within the meaning of the Nasdaq Stock Market rules because Bali, Seletar and Geyser (together, the Sponsor Group) owned more than 50% of our outstanding voting securities and elected to file as a group with the SEC, with respect to their collective ownership of our shares. As of December 10, 2010 the Sponsor Group ceased to own a majority of our outstanding voting securities and we ceased to be a controlled company. As a result, pursuant to the applicable transition periods provided by the Nasdaq Stock Market rules, our Board will be required to be composed of a majority of independent directors by December 10, 2011 and our Compensation Committee and our Nominating and Corporate Governance Committee will be required to be comprised of a majority of independent directors by March 10, 2011 and entirely of independent directors by December 10, 2011, subject to certain exceptions prescribed by the Nasdaq rules.

**Risk Management**

The Board is responsible for overseeing the management of risks facing the Company, both as a whole and through its committees. The Board regularly reviews and discusses with management information regarding our operations, liquidity and credit, as well as the risks associated with each. The Audit Committee reviews and discusses with management significant financial, legal and regulatory risks and the steps management takes to monitor, control and report such exposures. It also oversees the Company's periodic enterprise-wide risk evaluations conducted by management. The Compensation Committee oversees management of risks relating to the Company's compensation plans and programs for executives and employees in general. The Nominating and Corporate Governance Committee oversees management of risks associated with Board governance, director independence and conflicts of interest. Additional details regarding the responsibilities of each of these committees is discussed in more detail below, under the heading Board Committees. The committees report regularly to the Board on matters relating to the specific areas of risk the committees oversee.

**Board Committees**

Our Board has an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and a Treasury Strategy Committee. The table below provides the current membership for each of the committees and the number of meetings held by each committee during Fiscal Year 2010.

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Treasury Strategy Committee
Adam H. Clammer		X	X	X
James A. Davidson		X(C)		
James V. Diller(I)	X		X	
Kenneth Y. Hao			X(C)	X
John Hsuan*			X	

Edgar Filing: Avago Technologies LTD - Form DEF 14A

Donald Macleod(I)	X	X	
Justine F. Lien(I)	X(C)		
Number of meetings in Fiscal Year 2010	7	4	3

(I) Denotes an independent director.

(C) Denotes the Chairperson of the committee.

\* Mr. Hsuan joined the Board on February 14, 2011

## **Table of Contents**

Pursuant to the Shareholder Agreement, for as long as KKR or Silver Lake owns at least 5% of our outstanding ordinary shares, investment funds affiliated with KKR or Silver Lake, as applicable, shall have the right to designate a director to serve on any committee, subject to compliance with federal securities laws and the requirements of the Nasdaq Stock Market. Please see Certain Relationships and Related Party Transactions Second Amended and Restated Shareholder Agreement on page 55 for more information regarding the Shareholder Agreement.

The functions performed by these committees, which are set forth in more detail in their respective charters, are summarized below. The charters of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are available in the Investors Governance section of our website (<http://phx.corporate-ir.net/phoenix.zhtml?c=203541&p=irol-govHighlights>). Shareholders may also request a copy in print from: Investor Relations, c/o Avago Technologies U.S. Inc., 350 West Trimble Road, Building 90, San Jose, CA 95131, U.S.A.

### **Audit Committee**

The Audit Committee is currently comprised of Ms. Lien and Messrs. Diller and Macleod. The Audit Committee is responsible for assisting our Board with its oversight responsibilities regarding the following:

- the quality and integrity of our financial statements and internal controls;

- the appointment, compensation, retention, qualifications and independence of our independent registered public accounting firm;

- the performance of our internal audit function and independent registered public accounting firm;

- our compliance with legal and regulatory requirements; and

- related party transactions.

The members of our Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq Stock Market. Our Board has determined that Mr. Macleod is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the Nasdaq Stock Market. Messrs. Diller and Macleod and Ms. Lien are independent directors as defined under the applicable rules and regulations of the SEC and the Nasdaq Stock Market. The Audit Committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Stock Market.

### **Compensation Committee**

The Compensation Committee is currently comprised of Messrs. Davidson, Clammer and Macleod. The Compensation Committee is responsible for determining our executives base compensation and incentive compensation, including designing (in consultation with management or the Board) and recommending to the Board for approval and evaluating, our compensation plans, policies and programs, administering our stock option and other equity based plans and approving the terms of equity-based grants pursuant to those plans. The Compensation Committee has the full authority to determine and approve the compensation of our chief executive officer in light of relevant corporate performance goals and objectives. The Compensation Committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Stock Market. Messrs. Davidson and Clammer are not independent directors as defined under the applicable rules and regulations of the SEC and the Nasdaq Stock



Market.

In June 2010, the Compensation Committee conducted a process independent of management, to identify and select a compensation consultant to advise the committee on executives and directors compensation and, as a result of this process, the Compensation Committee retained Compensia, Inc. ( Compensia ) as its compensation consultant. The consultant has not provided and does not provide any other services to the Company other than de minimis ministerial data processing services.

**Table of Contents**

**Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee was established in December 2009 and is currently comprised of Messrs. Hao, Clammer, Diller and Hsuan. The Nominating and Corporate Governance Committee is responsible for identifying qualified candidates to become directors, recommending to the Board candidates for all directorships, overseeing the annual evaluation of the Board and its committees and taking a leadership role in shaping the corporate governance of the Company. The Nominating and Corporate Governance Committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Stock Market. Messrs. Hao and Clammer are not independent directors as defined under the applicable rules and regulations of the SEC and the Nasdaq Stock Market.

The Nominating and Corporate Governance Committee will consider candidates for director who are recommended by its members, by other Board members and members of our management, as well as those identified by any third-party search firms retained by it to assist in identifying and evaluating possible candidates. The Nominating and Corporate Governance Committee will also consider recommendations for director candidates submitted by our shareholders if they meet the specific criteria set forth under Shareholder Nominations to our Board of Directors below. The Nominating and Corporate Governance Committee will evaluate and recommend to the Board qualified candidates for election, re-election or appointment to the Board, as applicable, unless the Company is at any time legally required by contract or otherwise to provide any third party with the ability to nominate a director, in which case the committee need not evaluate or propose such candidates, unless required by contract or requested by the Board. Currently all of our Board members are selected in accordance with the terms of the Shareholder Agreement. See Certain Relationships and Related Party Transactions Second Amended and Restated Shareholder Agreement on page 55 for more information regarding the Shareholder Agreement.

When evaluating director candidates, the Nominating and Corporate Governance seeks to ensure that the Board has the requisite expertise and that its members consist of persons with appropriately diverse and independent backgrounds. The Nominating and Corporate Governance Committee will consider all aspects of a candidate's qualifications in the context of the needs of the Company, including: personal and professional integrity, ethics and values; experience as an officer in corporate management; experience in the Company's industry and international business and familiarity with the Company; experience as a board member of another publicly traded company; and practical and mature business judgment. However, the Nominating and Corporate Governance Committee does not have any minimum criteria for director candidates. Consideration of new director candidates will typically involve a series of internal discussions, review of information concerning candidates and interviews with selected candidates. Our President and Chief Executive Officer, Mr. Hock E. Tan, first suggested Mr. Hsuan as a prospective Board candidate, who was then evaluated by the Nominating and Corporate Governance Committee according to its practice described above.

**Treasury Strategy Committee**

The Treasury Strategy Committee is currently comprised of Messrs. Clammer and Hao, Mr. Douglas R. Bettinger, our Senior Vice President and Chief Financial Officer, and Mr. Desmond Lim, our Vice President and Treasurer. The Treasury Strategy Committee is responsible for the oversight of treasury strategy and operations, reporting to our Board on an as-needed basis. The Treasury Strategy Committee meets on an ad hoc basis, as business needs necessitate.

**Shareholder Nominations to Our Board of Directors**

Under our Articles of Association, no person other than a director retiring at a general meeting is eligible for appointment as a director at any general meeting of shareholders, without the recommendation of the Board for election, unless (a) in the case of a member or members who in aggregate hold(s) more than 50% of the total number

of our issued and paid-up shares (excluding treasury shares), not less than 10 days, or (b) in the case of a member or members who in aggregate hold(s) more than five percent of the total number of our issued and paid-up shares (excluding treasury shares), not less than 120 days, before the date of the notice provided to members in connection with the general meeting, a written notice signed by such member or

## **Table of Contents**

members (other than the person to be proposed for appointment) who (i) are qualified to attend and vote at the meeting for which such notice is given, and (ii) have held shares representing the prescribed threshold in (a) or (b) above, for a continuous period of at least one year prior to the date on which such notice is given, is lodged at our registered office in Singapore. Such a notice must also include the consent to serve as a director of the person nominated.

Shareholders can recommend qualified candidates for our Board to the Board by submitting recommendations to our General Counsel, c/o Avago Technologies U.S. Inc., 350 West Trimble Road, Building 90, San Jose, CA 95131, U.S.A. Submissions that include the following requirements will be forwarded to the Board for review and consideration:

the candidate's name and business address;

a resume or curriculum vitae describing the candidate's qualifications, which clearly indicates that he or she has the necessary experiences, skills, and qualifications to serve as a director;

a statement as to whether or not, during the past ten years, the candidate has been convicted in a criminal proceeding (excluding minor traffic violations) and, if so, the dates, the nature of the conviction, the name or other disposition of the case, and whether the individual has been involved in any other legal proceeding during the past ten years;

a statement from the candidate that he or she consents to serve on the Board if elected; and

a statement from the person submitting the candidate that he or she is the registered holder of ordinary shares, or if the shareholder is not the registered holder, a written statement from the record holder of the ordinary shares (usually a broker or bank) verifying that at the time the shareholder submitted the candidate that he or she was a beneficial owner of ordinary shares.

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

Our Board has adopted a Code of Ethics and Business Conduct that is applicable to all members of the Board, executive officers and employees, including our chief executive officer, chief financial officer and principal accounting officer. The Code of Ethics and Business Conduct is available in the Investors Governance section of our website (<http://phx.corporate-ir.net/phoenix.zhtml?c=203541&p=irol-govHighlights>) under Code of Ethics and Business Conduct. Shareholders may also request a copy in print from: Investor Relations, c/o Avago Technologies U.S. Inc., 350 West Trimble Road, Building 90, San Jose, CA 95131, U.S.A.

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

The current members of our Compensation Committee, Messrs. Davidson, Clammer and Macleod (and Mr. James H. Greene, Jr., who served on our Compensation Committee prior to his resignation from our Board in March 2010) are not, and have never been, officers or employees of our company. During Fiscal Year 2010, none of our executive officers served on the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of our Board or our Compensation Committee. Messrs. Davidson and Clammer are affiliated with the Silver Lake and KKR entities, respectively, and have been designated by Silver Lake and KKR, respectively, to serve on our Compensation Committee. In addition, we have entered into certain arrangements with Silver Lake and KKR. Please see Certain Relationships and Related Party Transactions starting on page 55 for more information regarding these arrangements.

## **Risk Assessment and Compensation Practices**

Our management has reviewed the Company's compensation policies and practices for our employees as they relate to our risk management and reported its findings to the Compensation Committee. Management has concluded that our compensation policies and practices (described in more detail under "Compensation Discussion and Analysis" and

Executive Compensation below) balance short and long-term goals and awards, as well as the mix of the cash and equity components. Based upon this review, we believe the

**Table of Contents**

elements of our compensation programs do not encourage unnecessary or excessive risk-taking, and are not reasonably likely to have a material adverse effect on the Company in the future.

This Proxy Statement, including the preceding paragraph, contains forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events. Forward-looking statements contained in this Proxy Statement should be considered in light of the many uncertainties that affect our business and specifically those factors discussed from time to time in our public reports filed with the SEC, such as those discussed under the heading, "Risk Factors," in our Annual Report on Form 10-K for Fiscal Year 2010 (the 2010 Form 10-K ), and as may be updated in subsequent SEC filings.

**Director Share Ownership Guidelines**

At the recommendation of the Compensation Committee, our Board adopted share ownership guidelines for non-employee directors in December 2010 in connection with its review of our non-employee directors' compensation. The ownership guidelines encourage our non-employees directors to hold 7,500 of our ordinary shares or such number of shares having a fair market value equal to three times the annual cash retainer paid to non-employee directors for service on our Board (which would currently amount to \$150,000), whichever is less. The guidelines encourage our non-employee directors to reach this goal within five years of the date the Board approved the guidelines or the date of their appointment or election to our Board, whichever is later, and to hold at least such minimum value in shares for as long as he or she serves on our Board.

**Table of Contents****DIRECTORS COMPENSATION**

Under the laws of Singapore, our shareholders must approve all cash compensation paid to our non-employee directors. We do not compensate our management directors for their service on the Board or any committee of the Board.

**Current Non-Employee Directors Compensation**

Our shareholders approved the current cash compensation arrangements for our non-employee directors (which are those directors not employed by us or any subsidiary) at our 2010 Annual General Meeting of Shareholders. We currently compensate our non-employee directors and independent, non-employee directors (directors not associated with any Equity Investor and otherwise considered independent) as follows, payable quarterly:

	<b>Current Annual Fees</b>	
	<b>Non-Employee Directors</b>	<b>Independent Non-Employee Directors</b>
Board membership (other than Chairperson of the Board)	\$ 50,000	\$ 50,000
Chairperson of the Board	\$ 75,000	\$ 75,000
Committee membership (other than Chairperson of the Audit Committee)		\$ 10,000
Chairperson of the Audit Committee		\$ 25,000

Prior to December 2010, our non-employee directors also received a grant of options to purchase 50,000 ordinary shares upon their election to the Board. The exercise price per share of director options is equal to the fair market value of an ordinary share on the grant date, and director options expire five years from the date of grant, or earlier if the optionee ceases to be a director. Generally, director options become vested and exercisable with respect to 20% of the shares subject to the options nine months following the date the director commences service on the Board and on each anniversary of that date so that the options are completely vested and exercisable four years and nine months following the date the director commences service on the Board subject to continued service on the Board through each vesting date. However, options granted to our directors in April 2006 vest at a rate of 20% on each anniversary of December 1, 2005. Prior to our initial public offering (IPO) on August 6, 2009, option grants were made to our directors under the Amended and Restated Equity Incentive Plan for Senior Management Employees of Avago Technologies Limited and Subsidiaries (the Senior Management Plan). Following our IPO, option grants to our directors are made under the 2009 Equity Incentive Award Plan (the 2009 Plan). Non-employee directors are also reimbursed for travel and other out-of-pocket expenses related to their attendance at Board and committee meetings. Non-employee directors do not receive any non-equity incentive compensation, or participate in any pension plan or deferred compensation plan.

**Proposed Changes to Non-Employee Directors Compensation**

In November 2010, the Compensation Committee, assisted by Compensia, the committee's compensation consultant, conducted a review of our non-employee director compensation program. This review was conducted to ascertain whether our non-employee directors' compensation was competitive with that of our established peer group of companies, which group is discussed below under the heading Compensation Discussion and Analysis. The Compensation Committee reviewed, among other things, the current cash compensation of our non-employee

directors, the grant date fair value of option awards previously made to non-employee directors, the total compensation of our non-employee Chairperson of the Board and the aggregate number of our ordinary shares held currently by each of our non-employee directors. The Compensation Committee, with the assistance of Compensia, also took into consideration compensation trends for outside directors.



## **Table of Contents**

Based on Compensia's review and analysis of the compensation practices of our peer group, the Compensation Committee determined that:

average total cash compensation paid to our non-employee directors for service on our Board and its committees was at the 50th percentile of cash compensation paid to non-employee directors within the peer group, although cash compensation for service as the chair of the Audit Committee was at the 75th percentile and compensation for service as the chairperson of the Compensation Committee was at the 25th percentile;

the majority of companies within the peer group have moved from granting only stock options to granting only restricted stock units or a combination of stock option and restricted stock grants as the means of establishing the desired level of stock ownership at the board level, so that directors hold a meaningful ownership position in the company and their interests are aligned with those of shareholders;

the majority of companies within the peer group made annual equity grants to their non-employee directors; and

the stock awarded to non-employee directors at a majority of companies within the peer group was subject to vesting based on future service as a director and was not used as a means of compensating directors for prior service.

Based on Compensia's analysis, and upon the recommendation of the Compensation Committee, our Board approved changes to our non-employee director compensation, subject to shareholders' approval of non-employee directors' cash compensation at the 2011 AGM, as required by Singapore law. As directors' compensation runs from annual general meeting to annual general meeting, these changes in directors' cash compensation will take effect for the year commencing on March 30, 2011, the date of our 2011 AGM, if they are approved by shareholders at that meeting. If approved by shareholders, with effect from March 31, 2011 non-employee directors' cash compensation would be as follows:

	<b>Proposed Annual Fees</b>	
	<b>Non-Employee Directors</b>	<b>Independent Non-Employee Directors</b>
Board membership (other than Chairperson of the Board)	\$ 50,000	\$ 50,000
Chairperson of the Board		\$ 80,000
Committee membership (other than committee chairperson)		\$ 10,000
Chairperson of the Audit Committee		\$ 25,000
Chairperson of the Compensation Committee		\$ 15,000
Chairperson of the Nominating and Corporate Governance Committee		\$ 12,500

In addition, on the Compensation Committee's recommendation, our Board approved the following changes to the equity compensation of our non-employee directors, effective January 19, 2011:

We are changing the initial equity grant to new directors from a grant of an option to acquire 50,000 ordinary shares to an initial equity grant with a target fair market value of \$350,000 on the date of grant, comprised 50% each of stock options and restricted share units, with such awards vesting one-third annually over three years; and

We are implementing an annual equity grant to non-employee directors, commencing in the fourth year of service as a non-employee director, with each such grant to have target fair market value of \$100,000 on the date of grant, comprised 50% each of stock options and restricted share units and to be granted on the date of each Annual General Meeting of Shareholders occurring in and after the director's fourth year of service, subject to the director's re-election at such meeting. Such annual equity grants would vest in full one year from the date of grant.

**Table of Contents**

To determine the number of shares to be awarded pursuant to such a grant, the target fair market value of the grant (\$350,000 or \$100,000 depending on whether it is an initial or annual grant) is divided by the Black Scholes value of one of our ordinary shares (calculated using the average of the closing market prices (as quoted on the Nasdaq Global Select Market) over the 30 calendar days immediately preceding the date of grant) to arrive at a number of shares. Half of this resulting share number represents the number of shares that will be issued pursuant to options, which options will be issued at an exercise price of the fair market value per ordinary share on the date of grant. The remaining half of the resulting share number is then divided by three to determine the number of restricted share units that will be granted.

As a result of these changes, Compensia advised the Compensation Committee that overall compensation for our non-employee directors will approximate the 50th percentile of our established peer group of companies.

**Director Share Ownership Guidelines**

Effective January 19, 2011, the Board also approved the implementation of director share ownership guidelines, which encourage our non-employees directors to hold at a minimum 7,500 of our ordinary shares or such number of shares having a fair market value equal to three times the annual cash retainer paid to directors for service on our Board (which would currently amount to \$150,000), whichever is less, within five years of the date of adoption of these guidelines, or the date of a director's appointment or election to the Board, whichever is later.

**Directors' Compensation for Fiscal Year 2010**

The following table sets forth information regarding compensation earned by our non-employee directors during Fiscal Year 2010.

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Option Awards (\$)(1)</b>	<b>Total (\$)</b>
Adam H. Clammer	\$ 50,000		\$ 50,000
James A. Davidson	\$ 50,000		\$ 50,000
James V. Diller(2)	\$ 86,250		\$ 86,250
Kenneth Y. Hao	\$ 50,000		\$ 50,000
David Kerko	\$ 50,000		\$ 50,000
Justine F. Lien	\$ 75,000		\$ 75,000
Donald Macleod	\$ 70,000		\$ 75,000
Bock Seng Tan	\$ 50,000		\$ 50,000
Dick M. Chang(2)	\$ 18,750		\$ 18,750
James H. Greene, Jr(3)	\$ 25,000	\$ 149,117(4)	\$ 174,117
John R. Joyce(3)	\$ 25,000	\$ 149,117(4)	\$ 174,117

- (1) No stock options or other equity awards were granted to non-employee directors in Fiscal Year 2010. As of October 31, 2010, each of the directors held options to acquire 50,000 ordinary shares outstanding, other than Bock Seng Tan, who held options to acquire 10,000 shares and Messrs. Chang, Greene and Joyce who held no options.
- (2) Mr. Chang retired from our Board and as Chairman of the Board on February 2, 2010. Mr. Diller was appointed Chairman of the Board effective as of the date of Mr. Chang's retirement.

- (3) Messrs. Greene and Joyce resigned from the Board effective March 26, 2010.
- (4) Represents the incremental fair value, determined in accordance with the provisions of Accounting Standards Codification 718, associated with the acceleration of the vesting and exercisability of 10,000 options shares to March 26, 2010, the date on which the director resigned, which options would otherwise have been unvested as at such date, but for the action taken by the Compensation Committee to accelerate the vesting and exercisability of such options. The Compensation Committee elected to accelerate the vesting and exercisability of these options in light of the valuable service Messrs. Joyce and Greene provided to the Company during their tenure as directors.

**Table of Contents**

**PROPOSAL 2:**  
**APPROVAL OF THE RE-APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC**  
**ACCOUNTING FIRM AND INDEPENDENT SINGAPORE AUDITOR FOR FISCAL YEAR 2011 AND**  
**AUTHORIZATION OF THE AUDIT COMMITTEE TO FIX ITS REMUNERATION**

PricewaterhouseCoopers LLP is our independent registered public accounting firm in the U.S. and audits our consolidated financial statements. During Fiscal Year 2010, PricewaterhouseCoopers LLP in Singapore was our independent Singapore auditor of our Singapore statutory financial statements. Pursuant to section 205(2) and 205(4) of the Singapore Companies Act, any appointment after the Board's initial appointment of our independent Singapore auditor, or its subsequent removal, requires the approval of our shareholders. The Audit Committee has approved, subject to shareholder approval, the re-appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm and the independent Singapore auditor for Fiscal Year 2011. Pursuant to Section 205(16) of the Singapore Companies Act, the remuneration of a company's auditors shall be fixed by the shareholders in a general meeting or the shareholders may authorize directors to fix the remuneration. The Board believes that it is appropriate for the Audit Committee, as part of its oversight responsibilities, to fix the auditors' remuneration. The Board is therefore also requesting that the shareholders authorize the Audit Committee to fix the auditors' remuneration for service rendered through our 2012 AGM. We expect a representative from PricewaterhouseCoopers LLP to be present at the 2011 AGM. This representative will have the opportunity to make a statement if he or she so desires and is expected to be available to respond to appropriate questions.

**Principal Accounting Fees and Services**

Set forth below are the aggregate fees charged to the Company for the services performed by our independent registered public accounting firm, PricewaterhouseCoopers LLP, relating to Fiscal Year 2010 and the fiscal year ended November 1, 2009 (Fiscal Year 2009).

	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2009</b>
	<b>(\$ in thousands)</b>	
Audit Fees	\$ 3,055	\$ 2,407
Audit-Related Fees	5	21
Tax Fees	260	105
All Other Fees	3	3
Total	\$ 3,323	\$ 2,536

*Audit Fees* consist of fees for professional services provided in connection with the audit of our annual consolidated financial statements, audit of internal control over financial reporting for Fiscal Year 2010, 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. The fees also include services in connection with our January 2010 and August 2010 secondary offerings and our IPO in August 2009, including comfort letters, consents and review of documents filed with the SEC.

*Audit-Related Fees* consist of fees for assurance and related services by our independent registered public accounting firm that are reasonably related to the performance of the audit or review of our consolidated financial statements and not included in Audit Fees. In Fiscal Year 2009, these fees primarily related to implementation and compliance with the Sarbanes-Oxley Act of 2002, and in both Fiscal Year 2009 and Fiscal Year 2010 these fees related to providing certification audits to the Singapore Economic Development Board in connection with our tax incentive arrangements in Singapore.

*Tax Fees* consist of fees incurred for various tax transfer pricing studies and a U.S. research and development credit study.

## **Table of Contents**

*All Other Fees* consist of fees for professional services rendered by our independent registered public accounting firm for permissible non-audit services. In Fiscal Year 2010 and Fiscal Year 2009, these fees consisted of a license for specialized accounting research software.

In considering the nature of the services provided by PricewaterhouseCoopers LLP, the Audit Committee determined that such services are compatible with the provision of independent audit services. The Audit Committee discussed these services with PricewaterhouseCoopers LLP and our management to determine that they are permitted under the rules and regulation concerning independent registered public accounting firms' independence promulgated by the SEC to implement the Sarbanes-Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

Except as stated above, there were no other fees billed by PricewaterhouseCoopers LLP for Fiscal Years 2009 and 2010. The Audit Committee considers the provision of these services to be compatible with maintaining the independence of our independent registered public accounting firm.

### **Audit Committee Pre-Approval Policy**

The Audit Committee is responsible for selecting the independent registered public accounting firm to be employed by us to audit our financial statements, subject to approval by our shareholders for appointment. The Audit Committee also assumes responsibility for the retention, compensation, oversight and termination of any independent auditor employed by us. All engagements with the Company's independent registered accounting firm, regardless of amount, must be authorized in advance by the Audit Committee. The Audit Committee has delegated its pre-approval authority to the Chairperson of the Audit Committee, provided that any matters approved in such manner are presented to the Audit Committee at its next meeting. Pursuant to the charter of the Audit Committee, committee approval of non-audit services (other than review and attest services) is not required, if such services fall within available exceptions established by the SEC. However, to date, the Audit Committee's policy has been to approve all services provided by the Company's independent registered accounting firm. The independent registered public accounting firm and our management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with the committee's pre-approval, and the fees for the services performed to date.

During Fiscal Years 2009 and 2010, all services provided to us by PricewaterhouseCoopers LLP were approved by the Audit Committee pursuant to paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X.

**The Board recommends a vote FOR the approval of the re-appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm and independent Singapore auditor for Fiscal Year 2011 and authorization of the Audit Committee to fix its remuneration.**

**Table of Contents**

**PROPOSAL 3:  
ORDINARY RESOLUTION TO APPROVE NON-EMPLOYEE DIRECTORS' CASH COMPENSATION**

Under the laws of Singapore, our shareholders must approve all cash compensation paid by us to our directors for services rendered in their capacity as directors. Accordingly, we are seeking shareholder approval to provide payment of the following cash compensation to our non-employee directors for service on the Board and its committees during the period of approximately 12 months from March 31, 2011, the day after our 2011 AGM, through the date on which our 2012 AGM is held, and for each 12-month period thereafter as follows:

annual cash compensation of \$50,000 to each of our non-employee directors, other than the Chairperson of the Board, and cash compensation of \$80,000 to the independent Chairperson of the Board;

additional annual cash compensation of \$25,000 to the chairperson of the Audit Committee, provided that such person is an independent director;

additional annual cash compensation of \$15,000 to the chairperson of the Compensation Committee, provided that such person is an independent director;

additional annual cash compensation of \$12,500 to the chairperson of the Nominating and Corporate Governance Committee, provided that such person is an independent director;

additional cash compensation of \$10,000 to each of our independent directors in respect of each of the foregoing committees of the Board on which they serve, other than service as chairperson of any such committee of the Board; and

appropriate pro rata cash compensation, based on the annual cash compensation set forth above, as applicable, to any new non-employee director who is appointed by the Board, any independent director who is appointed to the position of Chairperson of the Board or chairperson of any such committee of the Board, provided that such person is an independent director or any independent director who is appointed to serve on any such committee of the Board, in each case after the date of our 2011 AGM, for their services rendered as a director and/or committee member for any period less than 12 months.

The above reflects the changes to the cash compensation for the chairpersons of the Board, the Compensation Committee and the Nominating and Corporate Governance Committee recommended by the Compensation Committee, after consultation with Compensia, and approved by the Board, subject to shareholder approval thereof, as discussed under Directors' Compensation on page 14.

We believe that this authorization will benefit our shareholders by enabling us to attract and retain qualified individuals to serve as members of our Board and to continue to provide leadership for our company.

**The Board recommends a vote FOR the resolution to approve the non-employee directors', the Board Chairperson's, the committee chairpersons' and the committee members' cash compensation.**



**Table of Contents**

**PROPOSAL 4:  
NON-BINDING, ADVISORY VOTE ON EXECUTIVE COMPENSATION**

In accordance with Section 14A of the Exchange Act, we are including in this Proxy Statement this proposal for shareholders to approve, in a non-binding, advisory vote, the compensation of the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K promulgated by the SEC, set forth in Compensation Discussion and Analysis and in the compensation tables and accompanying narrative disclosure under Executive Compensation set forth elsewhere in the Proxy Statement.

Shareholders are encouraged to read the Executive Compensation section of this Proxy Statement, as well as the Compensation Discussion and Analysis section, which discusses our compensation policies, procedures and programs and the Fiscal Year 2010 compensation for the Company's named executive officers. The Company's named executive officers consist of our Chief Executive Officer, our Chief Financial Officer and each of our three other most highly compensated executive officers serving at the end of Fiscal Year 2010, who are listed in the 2010 Summary Compensation Table included in the Executive Compensation section of this Proxy Statement.

Compensation of our executive officers is structured around the achievement of near-term corporate objectives, as well as long-term business objectives and strategies. We believe that our executive compensation policies and procedures are designed to foster a pay-for-performance culture that focuses on both individual and Company performance, while aligning the interests of our executives with those of our shareholders. We believe that the compensation structure for our executive officers was instrumental in helping us achieve our strong financial and operating performance in Fiscal Year 2010.

Our compensation program for executives is designed to achieve the following:

- attract and retain qualified, experienced and talented executives, understanding competitive pressures from our Peer Group Companies (as defined in Compensation Discussion and Analysis);
- motivate and reward executives whose skills, knowledge and performance are critical to the on-going success of our Company;
- encourage executives to focus on the achievement of corporate and financial performance goals and metrics by aligning the incentive reward program to the achievement of both functional/divisional goals and corporate goals; and
- align the interests of our executives with those of our shareholders.

*Long-term equity compensation is a significant portion of compensation.* A significant portion of total compensation paid to our executives is in the form of equity. This serves as a long term retention strategy and also aims to align the interests of our executives with shareholders by tying a significant portion of each executive's compensation to returns realizable by our shareholders.

*Total cash compensation is tied to performance.* A significant portion of the total cash compensation of our executives is based on Company and individual performance, and fluctuates from year to year, reflecting the Company's financial and operating results.

*Compensation unrelated to performance is limited.* The Company does not have multi-year employment agreements or guaranteed salary increases or incentive awards. Executives' severance and change of control benefits are limited and change of control benefits are triggered only if there is a qualifying termination of employment following a change of control transaction. We do not offer significant perquisites, nor do we provide tax gross-up payments on post-employment benefits.

While the vote on this resolution is advisory and not binding on the Company, the Compensation Committee or the Board, the Compensation Committee and the Board value the opinions that shareholders express in their votes and will consider the outcome of the vote on this resolution when considering future executive compensation arrangements.

**The Board recommends that shareholders vote, on a non-binding, advisory basis, FOR the resolution to approve the compensation of the Company's named executive officers.**

**Table of Contents**

**PROPOSAL 5:  
NON-BINDING, ADVISORY VOTE ON THE FREQUENCY OF SHAREHOLDERS  
VOTE ON EXECUTIVE COMPENSATION**

In accordance with Section 14A of the Exchange Act, we are including in this Proxy Statement this proposal for shareholders to recommend, in a non-binding, advisory vote, that a non-binding, advisory vote to approve the compensation of the Company's named executive officers be put to shareholders for their consideration every: one; two; or three years.

In considering their vote, shareholders may wish to review with care the information presented in connection with Proposal 4, the information on the Company's compensation policies and decisions regarding the named executive officers presented in the Compensation Discussion and Analysis section of this Proxy Statement.

The Board has determined that providing shareholders with a non-binding, advisory vote to approve the compensation of the Company's named executive officers every three years is most consistent with the Board's approach to compensation and will be the most effective means to conduct and respond to the outcome of such votes, based on a number of considerations including the following:

our compensation policies and programs are designed to include and reward performance over a multi-year period and a three-year cycle will allow shareholders to better judge the programs in relation to the Company's long-term performance;

we seek a consistent compensation approach from year to year across our executive leadership team and we also believe that an effective compensation program should incentivize performance over a multi-year horizon; as a result we do not make frequent, significant changes to our programs;

a three-year cycle will provide shareholders sufficient time to evaluate the effectiveness of our short-and long-term compensation strategies and our related business outcome, while an annual vote would not allow for changes to the Company's compensation programs to be in place long enough to evaluate whether such changes were effective;

a three-year vote cycle gives the Board and the Compensation Committee sufficient time to thoughtfully respond to shareholders' sentiments and to implement any necessary changes to our executive compensation policies, procedures and programs; and

the Board will continue to engage with our shareholders on executive compensation during the period between shareholder votes. As discussed under Corporate Governance Shareholder Communications with our Board, we provide shareholders an opportunity to communicate with the Board, including on issues of executive compensation.

While the Board has determined that providing shareholders with the opportunity to vote on executive compensation once every three years is advisable, and therefore recommends that you adopt a triennial vote, the Compensation Committee and the Board will consider our shareholders' concerns and take them into account in determining how frequently such a vote should occur. However, the vote on this resolution is advisory and not binding on the Company, the Compensation Committee or the Board.

**The Board recommends that shareholders vote THREE YEARS with respect to how frequently a non-binding, advisory shareholder vote to approve the compensation of the Company's named executive officers should occur.**

**Table of Contents**

**PROPOSAL 6:  
ORDINARY RESOLUTION TO AUTHORIZE ORDINARY SHARE ALLOTMENTS AND ISSUANCES**

We are incorporated in the Republic of Singapore. Under the laws of Singapore, our directors may issue ordinary shares and make offers or agreements or grant options that might or would require the issuance of ordinary shares only with the prior approval of our shareholders. We are submitting this proposal to authorize our Board to allot and issue our ordinary shares from time to time, as set forth in the Notice, because we are required to do so under the laws of Singapore before we can issue any ordinary shares in connection with our equity compensation plans, possible future strategic transactions, or public and private offerings.

If this proposal is approved, the authorization would be effective from the date of the 2011 AGM and continue until the earlier of (i) the conclusion of the 2012 AGM or (ii) the expiration of the period within which the 2012 AGM is required by the laws of Singapore to be held. The 2012 AGM is required to be held no later than 15 months after the date of the 2011 AGM. The laws of Singapore allow for an application to be made with the Singapore Accounting and Corporate Regulatory Authority fo