
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) August 14, 2019

Fabrinet

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation)

001-34775
(Commission
File Number)

Not Applicable
(IRS Employer
Identification No.)

**c/o Intertrust Corporate Services (Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman
KY1-9005
Cayman Islands**

(Address of principal executive offices, including zip code)

+66 2-524-9600

(Registrant's telephone number, including area code)

N/A

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

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, \$0.01 par value	FN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Fiscal 2020 Salaries

On August 14, 2019, the Compensation Committee (the “Compensation Committee”) of the board of directors of Fabrinet (“Fabrinet” or the “Company”) approved an increase to the annual base salaries of the Company’s named executive officers set forth below, effective as of June 29, 2019, the first day of the Company’s fiscal year ending June 26, 2020 (“fiscal 2020”).

<u>Name</u>	<u>Title</u>	<u>Previous Annual Base Salary</u>	<u>Fiscal 2019 Annual Base Salary</u>	<u>Change</u>
Seamus Grady	Chief Executive Officer	\$ 775,000	\$ 860,000	11.0%
Dr. Harpal Gill	President and Chief Operating Officer	\$ 950,000	\$ 990,000	4.2%
Toh-Seng Ng	Executive Vice President, Chief Financial Officer	\$ 650,000	\$ 680,000	4.6%

Fiscal 2020 Executive Incentive Plan

On August 14, 2019, the Compensation Committee adopted an executive incentive plan (the “Cash Bonus Plan”) for fiscal 2020. The Cash Bonus Plan is an incentive program designed to motivate participants to achieve the Company’s financial objectives, and to reward them for their achievements when those objectives are met. All of the Company’s executive officers pursuant to Section 16 of the Securities Exchange Act of 1934 are eligible to participate in the Cash Bonus Plan (individually, a “Participant,” and collectively, the “Participants”). The Cash Bonus Plan provides for a target bonus amount, as set forth in the table below. The maximum bonus that a Participant may receive under the Cash Bonus Plan is such Participant’s target bonus.

<u>Named Executive Officer</u>	<u>Fiscal 2020 Target Bonus</u>
Seamus Grady	\$ 1,075,000
Dr. Harpal Gill	\$ 1,300,000
Toh-Seng Ng	\$ 865,000

The amount of bonus actually paid to a Participant under the Cash Bonus Plan will be based 50% on achievement of a fiscal 2020 revenue target and 50% on achievement of a fiscal 2020 non-GAAP operating margin target. As achievement of each financial target is considered independently from the other, the Company must meet a threshold for each factor in order for a Participant to receive any credit for that factor. If the Company achieves 100% or more of a target financial metric, bonuses would be paid out at 100% of target with respect to that financial metric component. Achievement of the fiscal 2020 revenue target at a level between approximately 97.7% and 100% will result in a bonus amount for that metric that is scaled from 0% to 100% in a linear fashion. Achievement of the fiscal 2020 non-GAAP operating margin target at a level between approximately 97.2% and 100% will result in a bonus amount for that metric that is scaled from 0% to 100% in a linear fashion.

Equity Award Grants

On August 14, 2019, the Compensation Committee approved the grant, effective as of August 22, 2019 (the “Grant Date”), of the following dollar value of restricted share units (“RSUs”), performance share units (“PSUs”) and “stretch” PSUs (“Stretch PSUs”), rounded down to the nearest whole share, to the following named executive officers of the Company as a component of their fiscal 2020 compensation:

<u>Executive Officer</u>	<u>Grant Date Value of RSUs</u>	<u>Grant Date Value of PSUs</u>	<u>Grant Date Value of Stretch PSUs</u>
Seamus Grady	\$ 2,925,000	\$ 1,950,000	\$ 1,950,000
Dr. Harpal Gill	\$ 1,875,000	\$ 1,560,000	\$ 1,560,000
Toh-Seng Ng	\$ 1,717,500	\$ 1,360,000	\$ 1,360,000

The grants will be made under the Company's Amended and Restated 2010 Performance Incentive Plan. The RSUs will vest in equal annual installments over a period of three years on the anniversary date of the Grant Date, subject to the individual's continued service with the Company through each such vesting date.

The PSUs will vest, if at all, following a 2-year performance period, on the date the Compensation Committee certifies achievement of the performance criteria set forth below, subject to the individual's continued service with the Company through such vesting date. Vesting of the PSUs will be based 50% on achievement of a cumulative fiscal 2020 and fiscal 2021 revenue target (the "PSU Revenue Target") and 50% on achievement of a cumulative fiscal 2020 and fiscal 2021 non-GAAP operating margin target (the "PSU Operating Margin Target"). As achievement of each financial target is considered independently from the other, the Company must meet a threshold for each factor in order for an individual to receive any credit for that factor. If the Company achieves 100% or more of a target financial metric, the PSUs will vest at 100% of target with respect to that financial metric component. Achievement of the PSU Revenue Target at a level between approximately 95.6% and 100% will result in a number of shares vesting for that metric that is scaled from 0% to 100% in a linear fashion. Achievement of the PSU Operating Margin Target at a level between approximately 97.8% and 100% will result in a number of shares vesting for that metric that is scaled from 0% to 100% in a linear fashion.

The Stretch PSUs will vest, if at all, following a 2-year performance period, on the date the Compensation Committee certifies achievement of the performance criteria set forth below, subject to the individual's continued service with the Company through such vesting date. Vesting of the Stretch PSUs will be based 50% on achievement of a cumulative fiscal 2020 and fiscal 2021 revenue target that is higher than the PSU Revenue Target (the "Stretch PSU Revenue Target") and 50% on achievement of a cumulative fiscal 2020 and fiscal 2021 non-GAAP operating margin target that is higher than the PSU Operating Margin Target (the "Stretch PSU Operating Margin Target"). As achievement of each financial target is considered independently from the other, the Company must meet a threshold for each factor in order for an individual to receive any credit for that factor. If the Company achieves 100% or more of a target financial metric, the Stretch PSUs will vest at 100% of target with respect to that financial metric component. Achievement of the Stretch PSU Revenue Target at a level between the PSU Revenue Target and 100% will result in a number of shares vesting for that metric that is scaled from 0% to 100% in a linear fashion. Achievement of the Stretch PSU GM Target at a level between the PSU GM Target and 100% will result in a number of shares vesting for that metric that is scaled from 0% to 100% in a linear fashion.

Letter Agreement with Mr. Mitchell

On August 14, 2019, Fabrinet and David T. Mitchell, Fabrinet's Chairman of the Board, entered into a letter agreement (the "Amendment") to amend two of Mr. Mitchell's restricted share unit awards, one of which covers 61,758 ordinary shares of Fabrinet and was granted to him on August 18, 2016, and the other of which covers 69,885 ordinary shares of Fabrinet and was granted to him on August 24, 2017 (collectively, the "RSU Awards"). The RSU Awards were granted to Mr. Mitchell under Fabrinet's 2010 Performance Incentive Plan and applicable award agreements thereunder. Under the terms of the RSU Award agreements, each of the RSU Awards is settled entirely in the form of Fabrinet ordinary shares when the RSU Award vests. As a result of the Amendment, upon the vesting of the RSU Awards on or after August 14, 2019, 42% of the shares otherwise issuable upon such vesting automatically will be settled instead in the form of cash.

The foregoing description of the Amendment is a summary and is qualified in its entirety by the terms of the Amendment, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Letter agreement, dated August 14, 2019, regarding amendment of David T. Mitchell's RSUs

SIGNATURES

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

FABRINET

By: _____ /s/ Toh-Seng Ng
Toh-Seng Ng
Executive Vice President, Chief Financial Officer

Date: August 20, 2019



August 14, 2019

David T. Mitchell
Chairman of the Board of Directors

Re: Amendment to Restricted Share Unit Awards

Dear Tom,

On August 18, 2016, you were granted a restricted share unit award covering 61,758 ordinary shares (“Shares”) of Fabrinet, a company formed under the laws of the Cayman Islands (“Fabrinet” or the “Company”), which is referred to herein as your 2016 RSU Award. On August 24, 2017, you were granted a restricted share unit award covering 69,885 Shares of Fabrinet, which is referred to herein as your 2017 RSU Award. Your 2016 RSU Award and your 2017 RSU Award were both granted under Fabrinet’s 2010 Performance Incentive Plan (the “Plan”) and restricted share unit award agreement thereunder (the “RSU Agreements”).

Pursuant to this letter agreement (the “Letter”), each of the RSU Agreements for your 2016 RSU Award and your 2017 RSU Award is hereby amended to provide that, notwithstanding Section 2 of the applicable RSU Agreement specifying the settlement of your 2016 RSU Award and your 2017 RSU Award in whole Shares, upon any vesting and settlement of your 2016 RSU Award and your 2017 RSU Award on or after the date hereof, 42% of the Shares otherwise issuable upon such vesting (rounded to the nearest whole Share) automatically will be settled in the form of cash, with the amount of cash payable for a Share equal to the last sales price in regular trading for a Share as furnished by the Financial Industry Regulatory Authority through the New York Stock Exchange on the date of vesting (or if such date is not a trading day with respect to the New York Stock Exchange, then the most recent trading day, as applicable).

Except as modified by this Letter, your RSU Agreements remain in full force and effect. This Letter, together with the RSU Agreements (to the extent not amended hereby), the Plan and that certain Separation Agreement and Release dated July 16, 2018, entered into between you and the Company, represent the entire agreement between you and the Company and will supersede any and all previous contracts, agreements or understandings between you and the Company with respect to your 2016 RSU Award and your 2017 RSU Award.

Please sign and return one copy of Letter to Colin Campbell, General Counsel, to acknowledge and agree to the amendment of your RSU Agreements pursuant to this Letter. This Letter will be governed by the laws of the State of California, with the exception of its conflict of laws provision.

Sincerely,

/s/ Frank Levinson
Frank Levinson, Chairman of the Compensation Committee
(duly authorized on behalf of the Board of Directors of Fabrinet)

ACKNOWLEDGED AND AGREED:

/s/ David T. Mitchell
David T. Mitchell

Date: August 14, 2019