

SANMINA-SCI CORP
Form DEF 14A
January 29, 2007

**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
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Sanmina-SCI Corporation

(Name of Registrant as Specified In Its Charter)

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

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SANMINA-SCI CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on February 26, 2007

The Annual Meeting of Stockholders of Sanmina-SCI Corporation (Sanmina-SCI) will be held on February 26, 2007, at 11:00 a.m., local time, at Sanmina-SCI s corporate offices, located at 30 E. Plumeria Drive, San Jose, California 95134, for the following purposes (as more fully described in the Proxy Statement accompanying this Notice):

1. To elect directors of Sanmina-SCI Corporation.
2. To ratify the appointment of KPMG LLP as our independent registered public accountants for the fiscal year ending September 29, 2007.
3. To transact such other business as may properly come before the meeting.

Stockholders of record at the close of business on January 16, 2007 are entitled to vote at the Annual Meeting and are cordially invited to attend the meeting. However, to ensure your representation at the meeting, you are urged to mark, sign, date and return the enclosed proxy as promptly as possible in the postage-prepaid envelope enclosed for that purpose. If you attend the meeting, you may vote in person even if you return a proxy.

FOR THE BOARD OF DIRECTORS

/s/ DAVID L. WHITE

David L. White

Secretary

San Jose, California

January 29, 2007

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IMPORTANT

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

SANMINA-SCI CORPORATION

PROXY STATEMENT FOR

2007 ANNUAL MEETING OF STOCKHOLDERS

INFORMATION CONCERNING VOTING AND PROXY SOLICITATION

General

The enclosed proxy is solicited on behalf of the Board of Directors of Sanmina-SCI Corporation (Sanmina-SCI) for use at the Annual Meeting of Stockholders to be held on Monday, February 26, 2007 at 11:00 a.m., local time, or at any adjournment thereof. The Annual Meeting will be held at Sanmina-SCI's corporate offices, located at 30 E. Plumeria Drive, San Jose, California 95134. The telephone number at the meeting location is (408) 964-3555.

This Proxy Statement was mailed on or about January 29, 2007, to all stockholders entitled to vote at the meeting. Stockholders of record at the close of business on January 16, 2007 (the Record Date) are entitled to vote at the meeting.

Revocability of Proxies

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

Voting and Solicitation

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

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

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

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

broker non-votes should not be counted for purposes of determining the number of Votes Cast with respect to the particular proposal on which the broker has expressly not voted. Accordingly, we intend to treat broker non-votes in this manner. Thus, a broker non-vote will not have any effect on the outcome of the voting on a proposal.

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

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

Stockholder Proposals for 2008 Annual Meeting of Stockholders

Proposals that are intended to be presented by our stockholders at our annual meeting of stockholders following our fiscal year ending September 29, 2007, which will be our 2008 annual stockholders meeting, must be received by us at our principal executive offices no later than October 1, 2007 in order that they may be considered for inclusion in the proxy statement and form of proxy relating to that meeting. Under our bylaws, a proposal that a stockholder does not seek to include in Sanmina-SCI's proxy materials for the 2008 annual meeting but that may still be properly brought before the fiscal 2007 annual meeting must be delivered to our secretary at our principal executive offices not less than 45 or more than 75 days prior to the annual meeting date; provided, however, that if the date of the 2008 annual meeting of stockholders is advanced more than 30 days prior to or delayed by more than 30 days after the 2007 annual meeting date (February 26), notice by the stockholder to be timely must be so delivered not later than the close of business on the later of (i) the 90th day prior to the 2007 annual meeting date or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

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As of January 16, 2007, the Record Date, 530,057,000 shares of our Common Stock were issued and outstanding and held of record by approximately 2,288 stockholders.

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of January 16, 2007, as to

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

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Name	Shares Beneficially Owned(17)	Approximate Percent Owned(17)
AXA Financial, Inc. and certain affiliated entities(1) 1290 Avenue of the Americas New York, NY 10104	69,149,720	13.0 %
Barclays Global Investors, NA(2) 45 Fremont Street San Francisco, CA 94105	31,130,978	5.9 %
EARNEST Partners LLC(3) 75 Fourteenth Street, Suite 2300 Atlanta, Georgia 30309	30,665,805	5.8 %
Jure Sola(4)	8,290,505	1.6 %
Randy Furr(5)	3,239,236	*
Hari Pillai(6)	1,218,800	*
David White(7)	481,667	*
Dennis Young(8)	307,788	*
Neil R. Bonke(9)	303,620	*
Alain Couder(10)	97,961	*
Mario M. Rosati(11)	192,015	*
A. Eugene Sapp, Jr.(12)	1,481,746	*
Wayne Shortridge(13)	177,307	*
Peter J. Simone(14)	71,209	*
Jacquelyn M. Ward(15)	194,685	*
All directors and executive officers as a group (12 persons)(16)	16,056,539	3.0 %

*Less than 1%.

(1)This information is based solely on a Schedule 13G/A filed with the SEC on February 14, 2006 by AXA Assurances I.A.R.D. Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, AXA (on behalf of its subsidiary AXA Investment Managers Paris) and AXA Financial Inc. (on behalf of its three subsidiaries Alliance Capital Management L.P. (Alliance), AXA Equitable Life Insurance Company (Equitable) and Frontier Trust Company, FSB). Each reporting person is deemed to have sole voting power with respect to 39,923,486 shares, shared voting power with respect to 5,005,184 shares, sole dispositive power with respect to 69,095,041 shares, and shared dispositive power with respect to 54,679 shares. Of the 69,149,720 reported shares, 69,131,281 are owned by Alliance and 18,439 shares are owned by Equitable. Alliance has sole voting power with respect to 39,923,486 shares, shared voting power with respect to 5,005,184 shares, sole dispositive power with respect to 69,076,602 shares, and shared dispositive power with respect to 54,679 shares. Equitable has only sole dispositive power with respect to 18,439 shares.

(2)This information is based solely on a Schedule 13G/A filed with the Securities and Exchange Commission on January 23, 2007 by Barclays Global Investors, NA (Barclays) and its affiliated entities. Barclays Global Investors, NA is the beneficial owner of 23,153,786 shares and has sole voting power with respect to 19,342,554 shares and sole dispositive power with respect to all reported shares. Barclays Global Fund Advisors, a wholly owned subsidiary, is the beneficial owner of 3,571,507 shares and has sole voting power with respect to 3,569,365 shares and sole dispositive powers with respect to all shares as an investment adviser. Barclays Global Investors, Ltd., a wholly owned subsidiary, is the beneficial owner of 2,969,309 shares, and has sole voting power and sole dispositive power with respect to all reported shares. Barclays Global Investors Japan Trust and Banking Co., Ltd., a wholly owned subsidiary, is the beneficial owner of 668,614 shares, and has sole voting and dispositive power with respect to all reported shares. Barclays Global Investors Japan Limited, a wholly owned

subsidiary, is the beneficial owner of 767,762 shares, and has sole voting and sole dispositive power with respect to all reported shares.

(3) This information is based solely on a Schedule 13G/A filed with the Securities and Exchange Commission on February 14, 2006 by EARNEST Partners, LLC (EARNEST). EARNEST is the beneficial owner of all of the reported shares, has sole voting power with respect to 10,338,578 shares, has shared voting power with respect to 12,399,967 shares and has sole dispositive power with respect to all of the reported shares. EARNEST is filing as an investment adviser to various investors.

(4) Includes 5,113,665 shares subject to stock options Mr. Sola has the right to exercise within 60 days after January 16, 2007. Also includes 33,764 shares held by Sola Partners, L.P. and 1,000,000 shares of restricted stock subject to vesting and employment restrictions.

(5) Includes 3,239,000 shares subject to stock options Mr. Furr has the right to exercise within 60 days after January 16, 2007. Mr. Furr's service as President and Chief Operating Officer terminated as of October 24, 2005. Pursuant to a severance agreement which we entered into with Mr. Furr in November 2005, Mr. Furr forfeited his restricted share award. In addition, Mr. Furr has the ability to exercise vested unexpired stock options through November 2008.

(6) Includes 997,505 shares subject to stock options Mr. Pillai has the right to exercise within 60 days after January 16, 2007. Also includes 6,440 shares held by Ramakrishna Pillai C/F Sudha Yvonne Pillai and Sanjay Hari Pillai UTMA/CA, Ramakrishna Hari Pillai, as Custodian and 200,000 shares of restricted stock subject to vesting and employment restrictions.

(7) Includes 281,667 shares subject to stock options Mr. White has the right to exercise within 60 days after January 16, 2007. Also includes 200,000 shares of restricted stock subject to vesting and employment restrictions.

(8) Includes 194,834 shares subject to stock options Mr. Young has the right to exercise within 60 days after January 16, 2007. Also includes 100,000 shares of restricted stock subject to vesting and employment restrictions.

(9) Includes 204,209 shares subject to stock options Mr. Bonke has the right to exercise within 60 days after January 16, 2007. Also includes 61,081 shares of restricted stock subject to vesting and employment.

(10) Includes 25,667 shares subject to stock options Mr. Couder has the right to exercise within 60 days after January 16, 2007. Also includes 27,706 shares of restricted stock subject to vesting and employment restrictions and shares held in the Sanmina-SCI Deferred Compensation Plan for Outside Directors.

(11) Includes 148,167 shares subject to stock options Mr. Rosati has the right to exercise within 60 days after January 16, 2007. Also includes 9,000 shares held by Mario M. Rosati Retirement Trust, Mario M. Rosati, Trustee and 2,248 shares held by WS Investment Co. 99B of which Mr. Rosati is a general partner.

(12) Includes 1,224,267 shares subject to stock options Mr. Sapp has the right to exercise within 60 days after January 16, 2007. Also includes 212,160 shares held jointly by A. Eugene Sapp, Jr. and Patricia V. Sapp, 4,934 shares held in the A. Eugene Sapp, Jr. Individual Retirement Account and 40,385 shares of restricted stock subject to vesting and employment restrictions.

(13) Includes 116,267 shares subject to stock options Mr. Shortridge has the right to exercise within 60 days after January 16, 2007. Also includes 29,993 shares of restricted stock subject to vesting and employment restrictions and shares held in the Sanmina-SCI Deferred Compensation Plan for Outside Directors.

(14)Includes 45,667 shares subject to stock options Mr. Simone has the right to exercise within 60 days after January 16, 2007. Also includes 25,542 shares of restricted stock subject to vesting and employment restrictions.

(15)Includes 93,983 shares subject to stock options Ms. Ward has the right to exercise within 60 days after January 16, 2007. Also includes 1,165 shares held by Arthur Lee Davis, 47,283 shares of restricted stock subject to vesting and employment restrictions and shares held in the Sanmina-SCI Deferred Compensation Plan for Outside Directors.

(16)Includes an aggregate of 11,684,898 shares subject to stock options individuals have the right to exercise within 60 days after January 16, 2007.

(17)Beneficial ownership is determined in accordance with the rules of the SEC based on factors, including voting and investment power, with respect to the securities. Common shares subject to conversion or issuable upon exercise of options currently exercisable or exercisable within 60 days after January 16, 2007 are deemed outstanding for computing the percentage ownership of the person holding the options, but are not deemed outstanding for computing the percentage of any other person. The number of shares owned by certain of our executive officers listed in the table includes unvested shares of restricted stock held by such executive officers as of January 16, 2007. Such unvested shares of restricted stock may be voted by the holders thereof, but such holders may not sell, transfer, pledge or otherwise receive any economic value from or with respect to such unvested shares.

PROPOSAL NO. 1:**ELECTION OF DIRECTORS**

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

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

Name of Nominee	Age	Principal Occupation	Director Since
Jure Sola	56	Chairman and Chief Executive Officer of Sanmina-SCI Corporation	1989
Neil R. Bonke	65	Private Investor	1995
Alain Couder	60	President and Chief Executive Officer of Solid Information Technology	2005
Mario M. Rosati	60	Member, Wilso Sonsini Goodrich & Rosati, Professional Corporation	1997
A. Eugene Sapp, Jr.	70	Former Co-Chairman of Sanmina-SCI Corporation	2001
Wayne Shortridge	68	Office Managing Shareholder, Carlton Fields, PA	2001
Peter J. Simone	59	Independent Consultant	2003
Jacquelyn M. Ward	68	Outside Managing Director, Intec Telecom Systems, USA	2001

Mr. Sola has served as our Chief Executive Officer since April 1991, as Chairman of our Board of Directors from April 1991 to December 2001 and from December 2002 to present, and Co-Chairman of our Board of Directors from December 2001 to December 2002. In 1980, Mr. Sola co-founded Sanmina and initially held the position of Vice President of sales. In October 1987, he became Vice President and General Manager of Sanmina, responsible for manufacturing operations and sales and marketing. In July 1989, Mr. Sola was elected as a director and in October 1989 was appointed as President of Sanmina.

Mr. Bonke has served as a director of our company since 1995. Mr. Bonke has been a private investor for the past six years and is the retired Chairman of the Board and Chief Executive Officer of Electroglass, Inc., a semiconductor equipment manufacturer. He also serves on the Board of Directors of Novellus Systems, Inc., a semiconductor equipment company. He is a past director of San Jose State University Foundation.

Mr. Couder has served as a director of our company since February 2005. Mr. Couder has served as President and Chief Executive Officer of privately owned Solid Information Technology since 2005. Mr. Couder was a venture advisor for Sofinnova Ventures, a venture capital firm from 2004 to 2005. Mr. Couder was President and Chief Executive Officer of Confluent Software, Inc., a software development company from 2003 to 2004 when it was acquired by Oblix. Mr. Couder served as President and Chief Executive Officer of privately held IP Dynamics, Inc., a provider of carrier-class security software, from 2002 to 2003. Mr. Couder was Chief Operating Officer of Agilent Technologies from 2000 through 2002. From 1998 to 1999 Mr. Couder served as Chairman, President, and Chief Executive Officer of Packard Bell NEC, Inc.

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

Mr. Sapp has served as a director of our company since December 2001 and served as co-chairman of the Sanmina-SCI Board of Directors from December 2001 to December 2002. In 1962, Mr. Sapp joined SCI Systems, Inc. and after holding several positions, was promoted to President and Chief Operating Officer in 1981. In July 1999, Mr. Sapp was appointed Chief Executive Officer of SCI and served as Chairman of the Board and Chief Executive Officer from July 2000 until our merger with SCI. Mr. Sapp currently serves as a director of Vette Corporation.

Mr. Shortridge has served as a director of our company since December 2001 and has served as our lead independent director since December 2006. He is our lead independent director. From 1992 until we merged with SCI Systems, Inc., he served as a director of SCI. Mr. Shortridge is an attorney. From 1994 to 2004 he was a partner in the law firm of Paul, Hastings, Janofsky & Walker LLP in Atlanta, Georgia. Mr. Shortridge is currently a shareholder of the law firm of Carlton Fields, PA, and practices in that firm's Atlanta office where he has been since 2004.

Mr. Simone has served as a director of our company since December 2003. Mr. Simone currently serves as a director of Cymer, Inc., Veeco Instruments, Inc., Newport Corporation and several privately held companies. Mr. Simone has also served as an independent consultant to several privately held companies and the investment community since 2001. Mr. Simone was Executive Chairman of SpeedFam-IPEC, Inc., a semiconductor equipment company, from June 2001 to December 2002 when it was acquired by Novellus Systems, Inc. He was a director of Active Controls eXperts, Inc., a leading supplier of precision motion control and smart structures technology, while also serving as a consultant, then President, from January 2000 to February 2001 when it was acquired by Cymer, Inc. He served as President, CEO and director of Xionics Document Technologies, Inc., a provider of embedded software solutions for printer and copier OEMs, from April 1997 until Xionics' merger with Oak Technology, Inc. in January 2000.

Ms. Ward has served as a director of our company since December 2001. From 1992 until we merged with SCI Systems, Inc., she served as a director of SCI. Ms. Ward also serves as a director of Wellpoint, Inc., Bank of America Corporation, Equifax, Inc., Flowers Foods, Inc., and SYSCO Corporation, all publicly held companies. From December 2000 to October 2006, Ms. Ward was the Outside Managing Director of Intec Telecom Systems, USA, a provider of turnkey telecommunication systems and products. From 1968 to 2000, she was a founder and served as President, Chief Executive Officer and Chairman of Computer Generation Incorporated.

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

Board Meetings, Committees and Director Compensation

The Board of Directors held ten meetings during the fiscal year ended September 30, 2006. No nominee who was a director during the entire fiscal year attended fewer than 75 percent of the meetings of the Board of Directors or of committees on which such person served.

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. From time to time, the Board has created various ad hoc committees for special purposes.

Audit Committee

The Audit Committee currently consists of directors Neil Bonke, Alain Couder and Peter Simone. Mr. Simone is the chairman of the Audit Committee.

The Audit Committee reviews and monitors our corporate financial reporting and external audit, including, among other things, our control functions, the results and scope of the annual audit and other services provided by our independent registered public accountants and our compliance with legal matters that have a significant impact on our financial reports. The Audit Committee also reviews and monitors our internal audit function and receives regular reports from the internal audit department. The Audit Committee also consults with our management and our independent auditors prior to the presentation of financial statements to stockholders and, as appropriate, initiates inquiries into various aspects of our financial affairs. In addition, the Audit Committee is responsible for considering and recommending the appointment of our independent auditors. The Audit Committee held six formal meetings during fiscal 2006. Mr. Simone meets the definition of audit committee financial expert as defined by the Securities and Exchange Commission. The Annual Report of the Audit Committee appears hereafter under Report of the Audit Committee of the Board of Directors.

Compensation Committee

The Compensation Committee consists of directors Neil Bonke, Wayne Shortridge and Jacquelyn Ward. Mr. Shortridge is the chairman of the Compensation Committee. The Compensation Committee retained an independent compensation consultant during fiscal 2006.

The Compensation Committee reviews and makes recommendations to the Board of Directors concerning salaries and incentive compensation for our executive officers and certain employees. The Compensation Committee also approves all stock option and other equity compensation awards for our executive officers according to the terms of our equity compensation policy, and also considers and evaluates overall compensation policies and strategies for the company. In addition, the Compensation Committee approves all stock option and other equity compensation awards for employees that are not executive officers other than specified awards of a limited number of shares that may be awarded by our Chief Executive Officer. The Compensation Committee held seven meetings during the last fiscal year.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee are employees of Sanmina-SCI. During fiscal 2006, no executive officer of Sanmina-SCI (i) served as a member of the compensation committee (or other board committee performing similar functions or, in the absence of any such committee, the board of directors) of another entity, one of whose executive officers served on Sanmina-SCI's Compensation Committee, (ii) served as a director of another entity, one of whose executive officers served on Sanmina-SCI's Compensation Committee, or (iii) served as a member of the compensation committee (or other board committee performing similar functions or, in the absence of any such committee, the board of directors) of another entity, one of whose executive officers served as a director of the company.

Nominating and Governance Committee

The Nominating and Governance Committee consists of directors Alain Couder and Wayne Shortridge. Mr. Shortridge is the chairman of the Nominating and Governance Committee.

The Nominating and Governance committee is responsible for both nominating and governance functions. Nominating functions include development of general criteria regarding the qualifications and selection of board members and the recommendation of candidates for election to the Board of Directors. Governance functions include development of overall governance guidelines for the Board of Directors and Sanmina-SCI, overseeing and evaluating the overall performance of the Board of Directors and the Chief Executive Officer, and executive recruitment, development and succession planning. The Nominating and Governance Committee considers suggestions from many sources, including stockholders, regarding possible candidates for director. Stockholders may nominate director candidates for consideration by writing to the Nominating and Governance Committee, c/o the Corporate Secretary, Sanmina-SCI Corporation, 2700 N. First Street, San Jose, California, 95134, and providing the candidate's

name, biographical data, qualifications and the candidate's written consent to being named as a nominee in Sanmina-SCI's Proxy Statement and to serve as a director if elected. The Nominating and Governance Committee held one meeting during the last fiscal year.

Director Compensation

In fiscal 2006, directors who were not our employees (Outside Directors) were paid an annual retainer of \$60,000. Each Outside Director who is a member of a committee of the Board also receives an annual retainer of \$10,000, and any Outside Director who is a chairperson of any committee of the Board receives an additional annual retainer of \$10,000, provided that these amounts will be increased by 33⅓% for any director electing to take his or her entire retainer in the form of restricted common stock. In addition to those amounts, each Outside Director attending a meeting of the Board in person receives an additional payment of \$2,000 for attending a meeting in person and \$1,000 for attending telephonically. Each Outside Director attending a committee meeting receives an additional payment of \$1,500 per meeting. These Outside Director compensation arrangements are expected to remain unchanged for fiscal 2007. In fiscal 2006, we created a Special Options Committee on which two Outside Directors served. Each Outside Director received \$15,000 for each month of service on this committee. In addition, we created a Special Litigation Committee in fiscal 2007 on which two Outside Directors serve. Each Outside Director currently receives \$15,000 for each month of service on this committee until February 2007. Our Compensation Committee has recommended that the Board determine compensation for service on the Special Litigation Committee after February 2007. The Compensation Committee also recommended that the lead independent director receive an additional \$24,000 per year for service in fiscal 2007.

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

Our Compensation Committee has recommended to our Board of Directors that, upon first becoming a director, each new Outside Director would be eligible for a stock option grant to purchase 10,000 shares of Common Stock at the fair market value of the company's stock on the date of grant and a restricted stock unit of 20,000 shares of Common Stock under our 1999 Stock Option Plan (pro rated for the remainder of the fiscal year). In addition, our Compensation Committee has recommended to our Board of Directors that each continuing Outside Director receive (provided that such Outside Director has been a director for at least four months prior to such grant) an annual stock option grant to purchase 10,000 shares of Common Stock at the fair market value of the company's stock on the date of grant and a restricted stock unit of 20,000 shares of Common Stock under our 1999 Stock Option Plan.

Required Vote

In December 2006, our Board of Directors approved an amendment to Sanmina-SCI's Amended and Restated Bylaws to require directors to be elected by the majority of the votes cast with respect to such director in uncontested elections. In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), the standard for election of directors will be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. In addition, any director who fails to be elected must offer to tender his or her resignation to the Board. The Nominating and Governance Committee will then make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will act on the Nominating and Governance Committee's recommendation and publicly disclose its decision. The director who tenders his or her resignation will not participate in the Board's decision. In 2007, all nominees for the election of directors are currently serving on the Board.

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

PROPOSAL NO. 2:**RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

The Audit Committee has approved, subject to stockholder ratification, the selection of KPMG LLP (KPMG) as our independent registered public accountants for the fiscal year ending September 29, 2007.

The Board of Directors confirmed the Audit Committee's selection of KPMG as our independent registered public accountants to audit the financial statements of Sanmina-SCI for the fiscal year ending September 29, 2007. The affirmative vote of holders of a majority of the shares of Common Stock represented at the meeting and voting is necessary to ratify the appointment of KPMG as our independent registered public accountants. In the event of a negative vote, the Board of Directors will reconsider its selection. Representatives of KPMG are expected to be present at the Annual Meeting, with the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

The following is a summary of fees paid to KPMG for the fiscal years ended September 30, 2006 and October 1, 2005:

Audit Fees

The aggregate fees billed for professional services rendered by KPMG for the audit of our annual consolidated financial statements, the audit of our internal control over financial reporting, evaluation of management's assessment of its internal control over financial reporting, various statutory audits, and the reviews of the condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q for the fiscal years ended September 30, 2006 and October 1, 2005 were as follows:

Year Ended September 30, 2006	Year Ended October 1, 2005
\$ 11,943,755	\$ 10,885,146

Audit-Related Fees

The aggregate fees billed for audit-related services, exclusive of the fees disclosed above relating to audit fees, rendered by KPMG during the fiscal years ended September 30, 2006 and October 1, 2005 are set forth in the table below.

Year Ended September 30, 2006	Year Ended October 1, 2005
\$	\$ 156,760

Tax Fees

The aggregate fees billed for tax services rendered by KPMG during the fiscal years ended September 30, 2006 and October 1, 2005 are set forth below. These services consisted primarily of tax compliance and tax consultation services.

Year Ended September 30, 2006	Year Ended October 1, 2005
\$ 121,071	\$ 288,843

All Other Fees

The aggregate fees billed for all other services, exclusive of the fees disclosed above relating to audit and non-audit fees, rendered by KPMG during the fiscal years ended September 30, 2006 and October 1, 2005 are set forth below.

Year Ended September 30, 2006				Year Ended October 1, 2005			
\$				\$			

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

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

All audit and non-audit services provided by our independent registered public accounting firm require prior approval of the Audit Committee, with limited exceptions as permitted by the Securities and Exchange Commission's Rule 2-01 of Regulation S-X. Our management periodically reports to the Audit Committee services for which the independent registered public accountants have been engaged and the aggregate fees incurred and to be incurred. During fiscal 2006, all services provided by independent registered public accounting firm were pre-approved by the Audit Committee in accordance with this policy.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS VOTING FOR THE RATIFICATION OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING SEPTEMBER 29, 2007.

Report of the Audit Committee of the Board of Directors

The principal purpose of the Audit Committee is to assist the Board of Directors in its general oversight of the company's financial reporting process. The Audit Committee's purpose is more fully described in its charter, which the Audit Committee reviews on an annual basis (this charter may be viewed on the internet at www.shareholder.com/sanm/governance.cfm) and is attached as Appendix A hereto. Under this charter, the Audit Committee consists of at least three directors, all of whom must qualify as independent directors under the rules of the Nasdaq Stock Market and must also satisfy additional independence requirements applicable to members of audit committees. The Audit Committee currently consists of directors Neil Bonke, Alain Couder and Peter Simone.

The Audit Committee recommends to the Board of Directors, subject to stockholder ratifications, the selection of KPMG as our independent registered public accountants for fiscal year 2007.

Management is responsible for the internal controls and the financial reporting process. KPMG, our independent registered public accountants, is responsible for performing an independent audit of our financial statements in accordance with generally accepted auditing standards and expressing an opinion on the conformity of those audited financial statements in accordance with generally accepted accounting principles. Our independent registered public accountants are also responsible for performing an audit in accordance with the standards of the Public Company Accounting Oversight Board (United States), on the effectiveness of the company's internal control over financial reporting as of September 30, 2006. The Audit Committee's responsibility is to monitor and oversee these processes.

The Audit Committee has reviewed the audited financial statements for fiscal 2006 and has met and held discussions with management regarding the audited financial statements and internal controls over financial reporting. Management has represented to the Audit Committee that our financial statements were prepared in accordance with generally accepted accounting principles.

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

The Audit Committee reviewed with KPMG their judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee by Statement on Auditing Standards No. 61 – Communication with Audit Committees. KPMG also provided to the Audit Committee the written disclosures required by Independence Standards Board Standard No. 1 – Independence Discussions with Audit Committees. The Audit Committee has also discussed with KPMG the firm’s independence. In addition, the Audit Committee has considered whether the non-audit services provided by KPMG are compatible with maintaining KPMG’s independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board of Directors approved) that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended September 30, 2006 for filing with the Securities and Exchange Commission. The Audit Committee has also approved, subject to stockholder ratification, the selection of KPMG as our independent registered public accountants for the fiscal year ending September 29, 2007.

Respectfully submitted,

The Audit Committee of the Sanmina-SCI

Corporation Board of Directors

Peter Simone, *Chairman*

Neil Bonke

Alain Couder

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EXECUTIVE COMPENSATION

Compensation Tables

Summary Compensation Table. The following table sets forth the compensation paid by us to the Chief Executive Officer and each of the four other most highly compensated executive officers of Sanmina-SCI, for each of the three fiscal years in the period ended September 30, 2006.

Name and Principal Position	Year	Annual Compensation		Restricted Stock Awards (\$)(1)	Long-Term Compensation Awards of Options (# of Shares)	All Other Compensation	
		Salary(\$)	Bonus(\$)			(\$)	
Jure Sola(2) Chief Executive Officer and Chairman of the Board	2006	750,000		2,244,000		61,486	(8)
	2005	750,000			650,000	64,330	(9)
	2004	700,000	560,000	10,480,000	1,000,000	59,139	(10)
Randy W. Furr(3) Former President and Chief Operating Officer	2006					873,902	(11)
	2005	600,000	456,000		(7) 325,000	44,245	(12)
	2004	550,000	418,000 (5)	5,240,000	500,000	35,550	(13)
Hari Pillai President, EMS Operations	2006	380,000	161,500	561,000	150,000	34,222	(14)
	2005	380,000	193,800		150,000	33,489	(15)
	2004	330,000	224,400	2,096,000	200,000	37,372	(16)
David L. White(4) Executive Vice President and Chief Financial Officer	2006	325,000	160,000	374,000	100,000	16,047	(17)
	2005	325,000	176,800	745,000	250,000	16,310	(18)