



## Corporate Governance Guidelines

Adopted January 25, 2010

The Board of Directors (the "Board") of Fabrinet (the "Company") has adopted the following guidelines to assist the Board in overseeing the Company's business in accordance with the Board's fiduciary responsibilities. These guidelines, along with the Company's Amended and Restated Memorandum and Articles of Association, as may be amended from time to time (the "Memorandum and Articles of Association"), the charters and key practices of the Board's committees, provide the general framework for the governance of the Company. The Board may amend these guidelines from time to time.

### I. Role of the Board of Directors

**Management of the Company's Business and Affairs.** The Company's business and affairs shall be managed by or under the direction of the Board. The Board selects the Chief Executive Officer of the Company and the Company's other executive officers, designates which officers are executive officers for purposes of Section 16 of the United States Securities Exchange Act of 1934, as amended, and oversees senior management. The Board oversees the Company's strategic and business planning process, including reviewing and assessing risks facing the Company and management's approach to addressing such risks.

**Preparation and Participation.** Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to attend at least 75% of the Board meetings and meetings of committees on which he or she serves, and to review before each meeting the materials distributed in advance of such meetings. If a director is unable to attend a meeting, he or she should notify the Chairman of the Board or the chairman of the appropriate committee before such meeting.

**The Board's Duty to the Company and its Shareholders.** The Board's fundamental role is to exercise business judgment to act in what the Board members reasonably believe to be the best interests of the Company and its shareholders. In fulfilling their roles, the directors should be able to rely on the honesty and integrity of the Company's senior management and expert legal, accounting, financial and other advisors. The directors should have the benefit of directors' and officers' insurance, paid by the Company, indemnification to the fullest extent allowed under the Company's Memorandum and Articles of Association, and Cayman Islands law, and the indemnification agreements entered into between the Company and its directors.

### II. Board Composition

**Selection of the Chairman of the Board and Chief Executive Officer.** The Board shall fill the Chairman of the Board and Chief Executive Officer positions in any way that the Board deems best for the Company at any given point in time. Currently, the Board does not require separation of the offices of the Chairman of the Board and Chief Executive Officer.

**Lead Independent Director.** If the Chief Executive Officer is also the Chairman of the Board, the Board shall select at its first regular meeting following each annual shareholder meeting, a Lead Independent Director from among the independent directors. The Lead Independent Director's duties shall include coordinating the activities of the independent and other non-employee directors, coordinating the agenda for and moderating sessions of the Board's independent and other non-employee directors, and facilitating communications among the entire Board.

**Size of the Board.** The exact size of the Board is at any given time is determined by the Board, provided that, in accordance with the Company's Memorandum and Articles of Association, the maximum size of the Board is fifteen directors. Generally, the Board believes that it should have no fewer than six and no more than fifteen directors. However, the size of the Board may vary based upon the size of the Company's business and the availability of qualified candidates. Board size should facilitate active interaction and participation by all Board members.

**Selection of New Directors.** The Nominating and Corporate Governance Committee is responsible for identifying and recommending candidates for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders.

**Board Membership Criteria.** The Nominating and Corporate Governance Committee is responsible for reviewing with the Board from time to time the requisite skills and characteristics required of Board members in the context of the current Board composition. Members of the Board should have the highest professional and personal ethics and values, consistent with

longstanding Company values and standards. It is the intent of the Board that the Board will be comprised of individuals who have distinguished records of leadership and success in their arena of activity and who will make substantial contributions to Board operations and effectively represent the interests of all shareholders.

**Majority Voting; Advance Resignation as Prerequisite to Director Nomination.** The Board endorses the principle of using a majority vote standard for director elections as set forth in the Company's Memorandum and Articles of Association and the following guidelines.

In an uncontested election of directors (i.e. an election in connection with which none of our shareholders has provided our Secretary notice of an intention to nominate one or more candidates to compete with the Board's nominees or in connection with which shareholders have withdrawn all such nominations by the tenth day preceding the date we mail our notice of meeting to our shareholders), if any nominee for director receives a greater number of votes "against" his or her election than votes "for" his or her election (a "Majority Against Vote"), the Board expects such director to tender his or her resignation promptly following the Majority Against Vote for consideration by the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee will then promptly consider the resignation, taking into account all of the factors the Committee deems relevant, and recommend to the Board the action to be taken with respect to such director, which can range from accepting the resignation, to maintaining the director but addressing what the Committee believes to be the underlying cause of the Majority Against Vote, to resolving that the director not be re-nominated for election in the future, to recommending against accepting such director's resignation.

The Board will then consider and act on the Nominating and Corporate Governance Committee's recommendation. In reviewing such recommendation, the Board will consider the factors considered by the Nominating and Corporate Governance Committee and such additional information and factors (if any) as the Board believes to be relevant. The Board expects any director who is subject to a Majority Against Vote to abstain from participating in the Nominating and Corporate Governance Committee's recommendation and the Board's consideration of the action to be taken with respect to his or her resignation.

To the extent that one or more directors' resignations are accepted by the Board, the Nominating and Corporate Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

If a majority of the members of the Nominating and Corporate Governance Committee receive a Majority Against Vote at the same election, then a Board committee shall be formed solely for the purpose of considering such resignations, composed of at least three independent directors (as defined elsewhere in these Corporate Governance Guidelines), none of whom shall have received a Majority Against Vote at the most recent shareholder meeting; provided, however, that if there are fewer than three independent directors then serving on the Board who have not received Majority Against Votes at the most recent shareholder meeting, then the Board committee shall be comprised of all the independent directors, and the Board expects each independent director who received a Majority Against Vote at the most recent shareholder meeting to recuse himself or herself from the Board committee and Board's deliberations and voting with respect to his or her individual resignation.

The Board shall only nominate for election or reelection as a director a candidate who has agreed to promptly tender an irrevocable resignation if he or she receives a Majority Against Vote at any shareholder meeting where majority voting is applicable, which resignation shall automatically become effective in the event that the Board accepts such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender the same form of irrevocable resignation.

In a contested election of directors (i.e., an election in connection with which a shareholder has provided our Secretary notice of an intention to nominate one or more candidates to compete with the Board's nominees and such nomination has not been withdrawn by the tenth day preceding the date we mail our notice of meeting to our shareholders), directors are elected using a plurality standard, which means that the nominees who receive the most affirmative votes are elected to serve as directors.

**Independence of the Board.** The Board shall be comprised of a majority of directors who qualify as independent directors under the applicable rules of the New York Stock Exchange (the "NYSE") and the United States Securities and Exchange Commission (the "SEC"). The Board shall review annually each director's relationship with the Company. Following that review, the Board is responsible for affirmatively determining that each independent director has no material relationship, either direct or indirect, with the Company pursuant to the rules and regulations of the SEC and NYSE.

**Term Limits.** The Board does not have term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they would likely cause the loss of the contribution of directors who over time have developed increasing insight into the Company and its operations and therefore provide an increasing contribution to the Board as a whole.

**New Director Orientation and Continuing Education.** As soon as practicable following election or appointment of a new director, the Company shall make available to the new director a director orientation program. The program shall be constructed to familiarize the new director with, among other things, the Company's business, strategic plans, significant

financial, accounting and risk management issues, corporate governance policies, principal officers, and independent auditors. Further, the Company encourages directors to participate in corporate governance and other professional development and training programs designed for board members of publicly held companies.

**Directors Who Change Their Current Job Responsibility.** Directors who retire or change from the position they held when they joined the Board should not necessarily leave the Board. The Board may, via the Nominating and Corporate Governance Committee, review the continued appropriateness of Board membership under these circumstances.

**Service on Other Boards.** Directors are encouraged to evaluate carefully the time required to serve on other boards of directors (excluding non-profit), taking into account the effect of their service on such other boards on their attendance, preparation, participation and effectiveness on the Company's Board. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all duties as a director of the Company.

**Authority to Retain Advisors.** The Board and each Board committee shall have the authority, at the Company's expense, to retain and terminate independent advisors as the Board and any such committee deems necessary.

**Director Compensation.** The form and amount of director compensation will be determined by the Compensation Committee. A director who is also an officer of the Company shall not receive additional compensation for service as a director. The Compensation Committee will conduct an annual review of director compensation to ensure directors of the Company are compensated effectively in a manner consistent with the strategy of the Company and to further ensure that the Company will be able to attract, retain and reward directors who contribute to the success of the Company.

### III. Board Meetings

**Scheduling and Selection of Agenda Items for Board Meetings.** The Board shall have no less than four regularly scheduled meetings each year, three of which shall be attended in person by at least a majority of directors. Additional Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The Board may also take action from time to time by unanimous written consent.

The Chairman of the Board (in consultation with the Chief Executive Officer if not the same person and the Lead Independent Director) shall draft the agenda for each Board meeting and distribute it in advance to the Board. Each director may propose the inclusion of items on the agenda, request the presence of or a report by any member of the Company's management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The annual cycle of agenda items for Board meetings is expected to change on a periodic basis to reflect, among other things, Board requests, changing business and legal issues and the work done by the Board committees. The Board will review the Company's long-term strategic plan and the principal issues that the Company expects to face in the future during at least one Board meeting per year.

**Board Materials Distributed in Advance.** Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at each Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the directors.

**Executive Sessions of Independent Directors.** The independent directors of the Company shall meet in executive session without management on a regular basis, but in any event not less than once annually. Any independent director can request that an additional executive session be scheduled. The Lead Independent Director shall preside over such executive sessions.

**Board Access to Management and Outside Advisors.** The Board shall have full and free access to officers and employees of the Company and, as appropriate, to the Company's outside advisors. Any meetings or contacts that a director wishes to initiate may be arranged directly by the director or through the Chief Executive Officer or other Company officer. Members of senior management may be invited to attend part or all of a Board meeting in order to participate in discussions.

### IV. Board Committees

**Number of Board Committees.** The Board currently has three committees: Audit, Compensation, and Nominating and Corporate Governance. The purpose and responsibilities of each of these committees shall be set forth in committee charters adopted by the Board. The Board may form a new committee or disband a current committee from time to time, depending on circumstances and legal or regulatory requirements.

**Independence of Board Committees.** Each of the Audit, Compensation and Nominating and Corporate Governance Committees shall be composed entirely of independent directors, satisfying any applicable legal, regulatory and stock

exchange requirements necessary for an assignment to any such committee.

**Committee Members and Chairpersons.** The Nominating and Corporate Governance Committee shall make recommendations to the Board with respect to the assignment of Board members to committees. After reviewing the Nominating and Corporate Governance Committee's recommendations, the Board shall be responsible for appointing the chairmen and members to the committees.

The Nominating and Corporate Governance Committee shall review annually the committee assignments and shall consider the recommendations of the chairman and members of each committee with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

**Agenda, Frequency, Length and Reports of Committee Meetings.** The chairman of each committee, in consultation with committee members, shall approve the agenda, length of and attendance at each committee meeting and shall determine the frequency of meetings. Materials related to agenda items shall be given to the committee members sufficiently in advance to allow the members to prepare for discussing the items at the meeting. The committee chairmen shall report a summary of their meeting to the Board following each regular committee meeting.

## V. Board and Management Evaluation

**Self-Evaluation by the Board.** The Nominating and Corporate Governance Committee shall oversee an annual self-assessment of the performance of the Board and each director, as well as the performance of each Board committee. A member of the Nominating and Corporate Governance Committee shall discuss the results of the self-evaluation with the Board.

**Chief Executive Officer Performance Review.** The Board shall conduct an annual review of the performance of the Chief Executive Officer. The Compensation Committee shall also assess the Chief Executive Officer's performance annually in connection with determining the Chief Executive Officer's compensation. Factors to be considered in assessing the Chief Executive Officer's performance include strategic vision and leadership, external representation of the Company and management of external relationships, executive officer leadership development and succession planning, Company financial and operational performance, employee morale and motivation, and rapport with the Board.

**Succession Planning.** The Nominating and Corporate Governance Committee, in consultation with the full Board, is primarily responsible for succession planning. The Board will work with the Nominating and Corporate Governance Committee to identify potential successors to the Chief Executive Officer. The Chief Executive Officer should make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

The Board will establish and review such formal or informal policies and procedures, consulting with the Nominating and Corporate Governance Committee, the Chief Executive Officer and others, as it considers appropriate, regarding succession to the Chief Executive Officer in the event of emergency or retirement.

## VI. Policies and Guidelines

**Corporate Business Principles.** Members of the Board shall act at all times in accordance with the requirements of the Company's Code of Business Conduct, which shall be applicable to each director in connection with his or her activities relating to the Company. This obligation shall at all times include, without limitation, adherence to the Company's policies with respect to conflicts of interest, confidentiality, protection of the Company's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Code of Business Conduct with respect to any individual director shall be reported to, and be subject to the approval of, the Board.

**Communications with Board.** The Board believes that management speaks for the Company. Individual Board members may, from time to time, communicate with various constituencies that are involved with the Company, but it is expected that Board members would do this with knowledge of management and, in most instances, only at the request of management.

Shareholders wishing to communicate directly with the non-management directors may send an email to the Lead Independent Director whose email address will be available on the Company's website.

**Attendance at Shareholder Meetings.** The Board encourages directors to attend the annual meeting of the Company's shareholders.

**Review of Corporate Governance Guidelines.** The Nominating and Corporate Governance Committee shall review these Corporate Governance Guidelines periodically and report to the Board with any recommendations it may have in connection with these guidelines.