

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF
FABRINET**

(As of April 26, 2013)

1. **Purpose.** The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Fabrinet (the “Company”) shall be to (i) discharge the Board’s responsibilities relating to compensation of the Company’s Chief Executive Officer (“CEO”) and its other executive officers, (ii) oversee the administration of the Company’s compensation and employee benefit plans and programs, (iii) review and approve the Company’s compensation philosophy, and (iv) produce an annual report on executive officer compensation for inclusion in the Company’s annual report on Form 10-K or proxy statement, in accordance with applicable rules and regulations.

The Compensation Committee shall seek to ensure that the Company structures its compensation plans, policies and programs to allow the Company to recruit, motivate and retain superior talent and create a significant direct relationship between pay and benefit levels, and performance. Compensation payable to the Company’s executives should provide overall competitive pay and benefit levels, create proper incentives to enhance the value of the Company and reward superior performance.

2. **Membership.** The Committee shall be comprised of at least two (2) directors. The members of the Committee shall be appointed by and serve at the discretion of the Board. The Board shall appoint the chairperson of the Committee (the “Chair”). Subject to any alternate nominating procedures set forth in the Company’s Amended and Restated Memorandum and Articles of Association, as may be amended from time to time (the “Organizational Documents”), the Nominating and Corporate Governance Committee of the Board may make recommendations to the Board regarding appointments to the Committee.
3. **Qualifications.** Each member of the Committee (i) must be affirmatively determined by the Board to meet the independence requirements of the listing standards of the New York Stock Exchange (“NYSE”) in effect from time to time, (ii) shall qualify as a “non-employee director” under Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and (iii) shall satisfy the requirements of the outside director definition of Section 162(m) of Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”).
4. **Removal.** The Board may remove a member of the Committee or replace the Chair at any time.
5. **Specific Responsibilities and Duties.** The following are the principal recurring responsibilities of the Committee. The Committee may perform such other functions as are consistent with its purpose and applicable law, rules and regulations and as the Board or the Committee deem appropriate.

- 5.1 Compensation Policies.** Develop, review, evaluate and approve the Company's overall compensation policies, and establish performance-based incentives that support and reinforce the Company's long-term strategic goals, organizational objectives and shareholder interests.
- 5.2 Chief Executive Officer Compensation.** Annually review and approve corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation level based on such evaluation, including (i) annual base salary, (ii) short- and long-term equity and non-equity incentive awards, and (iii) any other benefits, compensation or arrangements that are not available to employees generally. At the invitation of the Committee, the CEO may provide input on his compensation arrangements but may not be present during final deliberations or voting on such matters.
- 5.3 Other Executive Officer Compensation.** Annually review and approve compensation for the other executive officers, including (i) annual base salary, (ii) short- and long-term equity and non-equity incentive awards, and (iii) any other benefits, compensation or arrangements that are not available to employees generally. Review periodic reports from the CEO as to the performance and compensation of such executive officers.
- 5.4 Process for Determining Compensation.** In determining compensation for the CEO and other executive officers, the Committee will consider, among other things, the Company's performance and relative shareholder return, the value of compensation provided to individuals in similar positions at comparable companies, and compensation provided to the executives in past years.
- 5.5 Post-Employment Compensation.** Review and approve all plans, agreements and arrangements that provide for payments to an executive officer at, following or in connection with the officer's termination, including resignation, severance or retirement, or a change in control of the Company.
- 5.6 Shareholder Advisory Votes on Executive Compensation.** Review the results of any shareholder advisory votes on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act and consider whether to make or recommend adjustments to the Company's executive compensation policies and practices as a result of such votes. Recommend for approval by the Board how frequently the Company should conduct Say on Pay Votes.
- 5.7 Director Compensation.** Periodically review and recommend to the Board the form and amount of director compensation, including, without limitation, retainer, meeting fees, committee fees, committee chair fees, equity compensation, benefits and perquisites.
- 5.8 Incentive Compensation Plan Recommendations.** Make recommendations to the Board with respect to the Company's incentive compensation plans and

equity-based compensation plans and approve for submission to the Company's shareholders all new stock option and equity compensation plans and, to the extent applicable, any amendments thereto.

- 5.9 Performance-Based Awards.** Grant stock options, stock appreciation rights and performance-based awards designed to qualify as performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code, to the extent, if any, the Committee determines to be advisable.
- 5.10 Compensation Plan Administration.** Administer any equity-based, long-term incentive or other compensation plan adopted by the Board or the Company's shareholders for which no other administrator is named by the Board, the Company's shareholders or the terms of such plan. As administrator of any such plan, the Committee may, without limitation:
- (i) grant options and other awards under any such plan, provided, however, that each grant shall satisfy all the applicable terms of the plan under which it is granted as in effect at the time of grant; and
 - (ii) take any other action which, by the terms of the applicable plan, may be taken by the administrator of such plan.
- 5.11 Non-Plan Awards.** Grant special cash awards, which are not pursuant to any compensation plan and set the terms of such awards. In addition, the Committee may grant special equity-based awards which are not pursuant to any existing equity-based compensation plan; provided that any such award satisfies any approval requirements of applicable law or the NYSE. For example, and without limitation, the Committee may authorize an award grant to a person not previously an employee or director of the Company, or following a *bona fide* period of non-employment, as an inducement material to the individual's entering into employment with the Company.
- 5.12 Overall Review of Other Programs.** Except as otherwise determined by the Board, review the other compensation programs of the Company in light of Company and program objectives, needs and current benefit levels.
- 5.13 Annual Report.** Review and discuss with management the Company's annual Compensation Discussion and Analysis as prepared in accordance with applicable rules and regulations for inclusion in the Company's annual proxy statement or annual report, as applicable, and issue a report (which will also be included in such proxy statement or annual report) as to whether, based on the Committee's review of that disclosure, the Committee recommends to the Board that the Compensation Discussion and Analysis disclosure be included in that proxy statement or annual report.
- 5.14 Risk Assessment.** To review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management

policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

- 5.15 **Stock Ownership Guidelines.** To determine whether to adopt and/or revise any stock ownership guidelines for the CEO and other executive officers and monitor compliance with such guidelines.
 - 5.16 **Charter Review.** Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
 - 5.17 **Performance Review.** Annually evaluate the performance of the Committee.
 - 5.18 **Recommendations and Reports.** Make recommendations and report to the Board and other committees of the Board with respect to any of the foregoing matters.
 - 5.19 **Other Actions.** Take such other actions consistent with this charter, the Organizational Documents and governing law as may be necessary or appropriate to fulfill the Committee's purpose (as stated above) and as may be requested or required by the Board from time to time.
6. **Meetings.** The Committee shall meet with such frequency, and at such times, as the Chair or a majority of the Committee determines. The Committee shall also meet as and when necessary to act upon any other matters within its jurisdiction under this charter. A special meeting of the Committee may be called by the Chair and shall be called promptly upon the request of any two members of the Committee. The agenda of each meeting shall be prepared by the Chair and circulated to each member of the Committee prior to the meeting date, if practicable. Unless the Committee or the Board adopts other procedures, the provisions of the Organizational Documents applicable to meetings of committees of the Board shall govern meetings of the Committee. If it is not practical, however, for the Committee to meet in a live or telephonic meeting, the Committee may meet and take actions pursuant to a unanimous written consent.
 7. **Minutes and Reports.** Minutes and other relevant records of each meeting of the Committee shall be kept with the regular corporate records of the Company. The Committee shall report to the Board regularly or whenever requested to do so by the Board.
 8. **Subcommittees; Delegation of Authority.**
 - 8.1 The Committee shall have the power to appoint subcommittees.
 - 8.2 Except for grants and awards to executive officers and directors of the Company, the Committee may delegate to one or more executive officers of the Company its authority to make grants and awards under the Company's incentive compensation or other equity-based plans as the Committee deems appropriate and in accordance with the terms of such plans and applicable law.

9. Compensation Consultants, Legal Counsel and Advisors.

- 9.1** The Committee shall have the power, in its sole discretion, to obtain advice and assistance from, retain, and terminate any compensation consultant, independent legal counsel, accounting or other advisors and experts (collectively, “Advisors”) as it determines necessary or appropriate to carry out its duties, and be directly responsible for the appointment, compensation and oversight of the work or any Advisor retained by the Committee.
- 9.2** The Committee shall determine appropriate funding, which shall be provided by the Company, for the payment of reasonable compensation to any Advisor retained by the Committee.
- 9.3** The Committee shall evaluate the independence of any Advisor prior to selecting or receiving advice from such Advisor, taking into consideration all factors relevant to the Advisor’s independence from management, including any factors required by the NYSE or applicable law.
- 10. Administrative Expenses.** The Committee may determine the level and cost of ordinary administrative expenses necessary or appropriate in carrying out its duties, with such costs to be borne by the Company.
- 11. Reliance Permitted.** In carrying out its duties, the Committee shall act in reliance on management, independent public accountants, internal auditors, and outside advisors and experts, as it deems necessary or appropriate to enable it to carry out its duties.
- 12. Investigations.** The Committee has the authority to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties.
- 13. Required Participation of Employees.** The Committee shall have unrestricted access to the Company’s employees, independent public accountants, internal auditors, compensation consultants, and inside and outside counsel and may require any of the Company’s employees, independent public accountants, internal auditors, compensation consultants, and inside and outside counsel to attend a meeting of the Committee or to meet with any members of the Committee or representatives of the Committee’s counsel, advisors or experts.
- 14. Rules and Procedures.** Except as expressly set forth in this charter, the Organizational Documents or as otherwise provided by law or the rules of the NYSE, the Committee shall establish its own rules and procedures.