

BENCHMARK ELECTRONICS INC
 Form DEF 14A
 April 02, 2015

**UNITED STATES
 SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
 Securities Exchange Act of 1934
 (Amendment No.)**

Filed by the Registrant <input checked="" type="checkbox"/>	Filed by a Party other than the Registrant <input type="checkbox"/>	
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Check the appropriate box:

<input type="checkbox"/>	Preliminary Proxy Statement	
<input type="checkbox"/>	Confidential, For Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))	
<input checked="" type="checkbox"/>	Definitive Proxy Statement	
<input type="checkbox"/>	Definitive Additional Materials	
<input type="checkbox"/>	Soliciting Material Pursuant to §240.14a-12	

BENCHMARK ELECTRONICS, INC.

(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):

<input checked="" type="checkbox"/>	No fee required.	
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	(3)	Filing Party:	
	(4)	Date Filed:	

BENCHMARK ELECTRONICS, INC.

3000 Technology Drive

Angleton, Texas 77515

NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON TUESDAY, MAY 12, 2015

Shareholders of Benchmark Electronics, Inc.:

The 2015 annual meeting of shareholders of Benchmark Electronics, Inc. (the “*Company*”) will be held at the Four Seasons Hotel Houston, 1300 Lamar Street, Houston, Texas, on Tuesday, May 12, 2015, beginning at 9:00 a.m. local time, for the following purposes:

1. to elect eight directors to serve on the Board of Directors until the 2016 annual meeting of shareholders and until their successors are duly elected and qualified;
2. to vote on a proposal to reapprove the material terms of the performance goals under the Company’s 2010 Omnibus Incentive Compensation Plan for purposes of Section 162(m) of the Internal Revenue Code;
3. to provide an advisory vote on the compensation of the Company’s named executive officers;
4. to ratify the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2015; and
5. to transact such other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on March 13, 2015 are entitled to notice of and to vote at the meeting and any adjournment thereof. You are cordially invited to attend the meeting.

	By order of the Board of Directors,
	/s/ Scott R. Peterson
	Scott R. Peterson
	Secretary

Angleton, Texas

April 2, 2015

YOUR VOTE IS IMPORTANT.

Regardless of whether you plan to attend the meeting, please act promptly to vote your shares. You may vote in person or by using a proxy as follows:

- **By internet:** Go to www.proxyvote.com. Please have the notice we sent to you in hand because it has your personal control number(s) needed for your vote.
- **By telephone:** Call 1-800-690-6903 on a touch-tone phone. Please have the notice we sent to you in hand because it has your personal control number(s) needed for your vote.
- **By mail:** Please request written materials as provided in the Notice of Availability of Proxy Materials, then complete, sign, and date the proxy card and return it to the address indicated thereon.

Your proxy is revocable at any time before it is voted at the meeting.

BENCHMARK ELECTRONICS, INC.

3000 Technology Drive

Angleton, Texas 77515

(979) 849-6550

April 2, 2015

PROXY STATEMENT

FOR

2015 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON TUESDAY, MAY 12, 2015

INTRODUCTION

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Company's Board of Directors (the "*Board*") for use at the 2015 annual meeting of shareholders of the Company to be held on Tuesday, May 12, 2015 beginning at 9:00 a.m. local time, and any adjournment thereof (the "*Meeting*") for the purposes set forth in this Proxy Statement and the accompanying Notice. It is anticipated that this Proxy Statement, the Notice and the enclosed form of proxy will be sent to shareholders on or about April 2, 2015.

Proxies

Proxies properly submitted by internet, telephone or otherwise properly executed and received by the Company before or at the Meeting and not revoked will be voted in accordance with the directions set forth therein. If no direction is made, a proxy that is properly submitted and received by the Company and not revoked will be voted:

- **FOR** the election of all nominees for director named herein to serve on the Board until the 2016 annual meeting of shareholders and until their successors are duly elected and qualified,

- **FOR** the reapproval of the material terms of the performance goals under the Company's 2010 Omnibus Incentive Compensation Plan (the "*Omnibus Plan*") for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "*Code*"),

- **FOR** the resolution approving the named executive officer compensation ("*Say-on-Pay*") for 2014 as disclosed in this proxy statement, and

- **FOR** the ratification of the appointment of KPMG LLP ("*KPMG*") as the independent registered public accounting firm of the Company for the year ending December 31, 2015.

If any other matter, not known or determined at the time of the solicitation of proxies, properly comes before the Meeting, the proxies will be voted in accordance with the discretion of the person or persons voting the proxies.

The proxy also confers on the persons named therein discretionary authority to vote with respect to any matters presented at the Meeting for which advance notice was not received by the Company prior to January 27, 2015.

Proxies may be revoked by written notice received by the Secretary of the Company at any time before they are voted by delivering to the Secretary of the Company a signed notice of revocation, or a later dated signed proxy, or by attending the Meeting and voting in person by ballot.

Voting Securities, Broker Nonvotes

Shareholders of record at the close of business on March 13, 2015 are entitled to notice of and to vote at the Meeting. As of March 13, 2015, there were 52,542,797 shares of common stock, \$0.10 par value per share (“*Common Shares*”), issued, outstanding and entitled to vote at the Meeting. Each Common Share is entitled to one vote on all matters that may properly come before the Meeting. However, shares held at your broker that are subject to a Broker Nonvote (defined below) are not deemed entitled to vote with regard to certain matters.

Most shareholders do not have their shares registered directly with the Company in their name; instead their shares are held in their brokerage account and voted by the broker according to the instructions submitted to them by the beneficial owner of the shares. If you do not submit voting instructions to your broker, the broker may still be permitted to vote your shares: New York Stock Exchange (“*NYSE*”) member brokers may vote shares on the ratification of our independent registered public accounting firm, which is a “discretionary” item. In contrast, the election of directors, reapproval of the material terms of the performance goals under the Omnibus Plan and the Say-on-Pay vote are “nondiscretionary” items; absent specific voting instructions from the beneficial owner, NYSE member brokers may not vote on these proposals. The result is that the shares are represented at the meeting, but as to nondiscretionary items may not be voted (“*Broker Nonvotes*”). Because they cannot be voted on those matters, they are not deemed to be entitled to vote on those matters and will not be included in the calculation of voting results for those matters (neither in the numerator nor the denominator).

Quorum, Voting Requirements and Other Matters

The presence at the Meeting, in person or by proxy, of the holders of a majority of the outstanding Common Shares is necessary to constitute a quorum. Common Shares represented by a proxy that is properly submitted by internet or telephone, or otherwise properly completed, signed and returned, will be counted as present at the Meeting for purposes of determining a quorum, without regard to whether the proxy is marked as withholding authority, casting a vote or abstaining, or is subject to a Broker Nonvote as to certain matters.

All matters specified in the notice of the Meeting require the approval of the affirmative vote of a majority of the outstanding Common Shares entitled to vote and present, in person or represented by proxy, at the Meeting. An abstention on any matter, or withholding authority to vote with respect to the election of directors, will have the effect of a vote against the proposal. Broker Nonvotes will not affect the outcome of any proposal.

An Inspector of Election appointed by the Company will tabulate votes at the Meeting.

The Board is not aware of any matters to come before the Meeting other than those referred to in this Proxy Statement. If any other matter properly comes before the Meeting, the proxies will be voted in accordance with the discretion of the person or persons voting the proxies.

PROPOSAL 1**ELECTION OF DIRECTORS****Nominees for Election**

The following table sets forth information with respect to each nominee for election as a director of the Company. Each nominee was proposed for reelection by the Nominating/Governance Committee for consideration by the Board and proposal to the shareholders. The Board has reviewed the qualifications of each nominee and has determined that, other than Ms. Delly, each satisfies the (i) independence standards promulgated by the NYSE and applicable regulations under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), (ii) “non-employee director” standards set forth in such regulations, and (iii) “outside director” requirements of Section 162(m) of the Code and applicable regulations. The information as to age, principal occupation, and directorships has been furnished by each such nominee.

Name	Age	Principal Occupation	Director Since
Peter G. Dorflinger	63	Chairman of the Board of the Company, General Partner of MAD Capital Partners	1990
Michael R. Dawson	61	Retired Senior Vice President and Chief Financial Officer of GlobalSantaFe Corporation	2006
Gayla J. Delly	55	President and Chief Executive Officer of the Company	2011
Douglas G. Duncan	64	Retired President and Chief Executive Officer of FedEx Freight Corporation	2006
Kenneth T. Lamneck	60	President and Chief Executive Officer of Insight Enterprises, Inc.	2013
David W. Scheible	58	President and Chief Executive Officer of Graphic Packaging Holding Company	2011
Berne D. L. Strom	67	Founder and Executive Chairman of WebTuner Corp.	2004
Clay C. Williams	52	Chairman, President and CEO of National Oilwell Varco, Inc.	2008

Mr. Dorflinger has been a director of the Company since 1990 and Chairman of the Board since January 2013. He is a member of the Audit and Nominating/Governance Committees. He is a general partner of MAD Capital Partners, which focuses on private investments in oil and gas exploration, commercial property development, and early stage medical product companies. He is the former President of GlasTech, Inc., a dental products manufacturer, a position he held from 1998-2002. During 1998, he served as President and Chief Operating Officer of Physicians Resource Group, Inc., a physicians’ practice management company, and from 1997-1998, he served as Vice President and General Counsel of Advanced Medical Instruments, Inc., a manufacturer of medical monitoring equipment. From 1987-1996, he served as Vice President, General Counsel and Secretary of Intermedics. From 1990-1996, he also served as Group Vice President and General Counsel of SULZERmedica, a division of Sulzer Limited of Switzerland,

composed of eight operating medical companies, including Intermedics. Mr. Dorflinger received a J.D. degree from the University of Houston and is also a director of several privately held companies. He brings the experience of many years of service as a director of the Company and his intimate understanding of the Company and its business.

Mr. Dawson has been a director of the Company since 2006. He chairs the Audit Committee and is a member of the Compensation Committee. He was Senior Vice President, Chief Financial Officer and director of Northern Offshore, Ltd., an offshore oil and gas drilling contractor from 2008-2010. He served as Senior Vice President and Chief Financial Officer of GlobalSantaFe Corporation from 2005-2007, as Vice President and Controller from 2003- 2005, and as Vice President and Treasurer from 2001-2003. Previously, he served as Vice President of Investor Relations and Corporate Communications for Global Marine Inc. A former Certified Public Accountant, Mr. Dawson joined Global Marine in 1999 after 16 years with Union Texas Petroleum Holdings, where he served as Director of Acquisitions and Portfolio Management, Director of Investor Relations and in numerous financial management positions in the Controller's organization. He began his career at Shell Oil Company in 1975 after receiving a B.B.A. degree from the University of Iowa. In recommending Mr. Dawson as a nominee for

election as a director of the Company, the Nominating/Governance Committee considered his experience as a chief financial officer and related positions with various companies, all of which enhance his service on the Audit Committee and help qualify him as an “audit committee financial expert” under the rules of the Securities and Exchange Commission (the “SEC”).

Ms. Delly has been a director of the Company since 2011 and has served as President and Chief Executive Officer since January 1, 2012. From December 2006 to December 2011, she was President and from 2001 to December 2006 served as Chief Financial Officer. She was Executive Vice President of the Company from 2004-2006, Vice President Finance from 2000-2004, Treasurer from 1996-2006, and Controller from 1996-2002. Ms. Delly holds a B.S. degree in accounting from Samford University and is a Certified Public Accountant. She also serves as a director of Flowserve Corporation. Ms. Delly brings to the Board her long-term experience with the Company’s business and industry.

Mr. Duncan has been a director of the Company since 2006 and is a member of the Audit and Nominating/Governance Committees. He is the retired President and Chief Executive Officer of FedEx Freight Corporation, a provider of regional and interregional less-than-truckload freight services. He was founding CEO of this stand-alone corporation for FedEx and served in that capacity from 2001-2010. He graduated from Christopher Newport University. In recommending Mr. Duncan as a nominee for election to the Board, the Nominating/Governance Committee considered not only his experience as a chief executive officer, but also his skills and leadership with logistics. He also serves on the board of directors of J.B. Hunt Transport Services, Inc. and previously served on the board of Brambles LTD.

Mr. Lamneck has been a director of the Company since 2013 and is a member of the Audit and Compensation Committees. Since 2010, he has been the President and Chief Executive Officer of Insight Enterprises, Inc., a global provider of information technology hardware, software and service solutions to businesses and public sector clients in over 190 countries. He also serves as a director of Insight. From 2004-2009, he was President, the Americas, at Tech Data Corporation, a wholesale distributor of technology products, where he led operations in the United States, Canada and Latin America. From 1996-2003, he held various executive management positions at Arrow Electronics, including President of Arrow/Richey Electronics and President of Arrow’s Industrial Computer Products business. Mr. Lamneck received an MBA from the University of Texas at El Paso and a Bachelor of Science from the United States Military Academy at West Point. His experience as a chief executive officer of a global technology provider was an important consideration in the Nominating/Governance Committee’s evaluation of Mr. Lamneck’s qualifications.

Mr. Scheible has been a director of the Company since 2011. He chairs the Compensation Committee and also serves on the Audit Committee. Since 2006, he has been Chief Executive Officer, President and Director of Graphic Packaging Holding Company, a global manufacturer of custom packaging, paperboard, laminations and coatings, systems and machinery and provider of contract packaging services to multinational companies. He was the Chief Operating Officer of Graphic Packaging from 1999-2006 and President of their Flexible Packaging Division from 1998-1999. From 1986-1998, he served as an executive with Avery Dennison Corporation, a global manufacturer of self-adhesive products, office products and specialized label systems. He began his career at B.F. Goodrich Corporation in 1980, and has held various positions in the manufacturing industry for more than 30 years. Mr.

Scheible received an MBA in Finance and a Bachelor of Science in Biochemistry from Purdue University. He brings his experience as a chief executive officer of a global manufacturing entity to the Board.

Ms. Strom has been a director of the Company since 2004, is a member of the Compensation Committee and chairs the Nominating/Governance Committee. She has served as Founder and Executive Chairman of WebTuner Corp., a developer of software infrastructure for next generation pay television systems since October 2014. From 2008 until October 2014, she was Chairman and CEO. She is a Founding Partner of Revitalization Partners LLC, an international specialty management services firm that provides hands-on interim executive management and advisory services to client companies. She also served as a director of Ensequence, Inc., a software company that has developed a cross platform technology for interactive video across cable, satellite, broadband and mobile devices. She has been President and Chief Executive Officer of The Strom Group, an investment and business advisory firm, since 1990. In 2000, she was President of InfoSpace.com Ventures, LLC, the venture capital arm of InfoSpace.com, Inc., a global provider of information and commerce infrastructure services for wireless devices and web sites. From 1998 to 1999, she was President and Chief Operating Officer of InfoSpace.com, Inc. From 1997 to 1998, she was CEO of Walker Digital and its first spin-out, priceline.com. From 1995 to 1997, she was President and Chief Executive Officer of HD Radio (formerly USA Digital Radio Partners,

LP), a radio broadcasting technology company. Ms. Strom has served as a Director of Hughes Electronics/DirectTV, the Polaroid Corporation, Software Publishing, and other public and private companies. She is a Trustee of the National Public Radio Foundation. Ms. Strom received her B.S. in mathematics and history, her M.A. and her Ph.D. (ABD) in mathematics and mathematics education from New York University. She received her MBA from the Anderson School at the University of California, Los Angeles, where she has been recognized as one its “100 Most Impactful” alumni. She brings her extensive experience gained through her service on boards or as an officer of several companies to the Board.

Mr. Williams has been a director of the Company since 2008 and is a member of the Compensation and Nominating/Governance Committees. Since May 2014, he has been Chairman of the Board, President and CEO of National Oilwell Varco, Inc., a global service provider and manufacturer of equipment for oil and gas producers. From February-May 2014, he was a director, President and CEO, and from December 2012-February 2014, he served as President and Chief Operating Officer. Prior to December 2012, he was their Executive Vice President and Chief Financial Officer and also served as the Chief Financial Officer of Varco International, Inc. prior to its merger with National-Oilwell. Mr. Williams began his career at Shell Oil Company in 1985, and has held various positions in the energy industry for 30 years. He received a B.S. degree in Civil/Geological Engineering from Princeton University and an MBA from the University of Texas at Austin. In recommending Mr. Williams for membership on the Board, the Nominating/Governance Committee considered his experience as a chief financial officer and now chief executive officer. The Board has determined that he qualifies as an “audit committee financial expert” under the SEC’s rules.

The officers of the Company are elected by, and serve at the discretion of, the Board.

Election Procedures; Term

Directors will be elected by the affirmative vote of the holders of a majority of the outstanding Common Shares present in person or represented by proxy at the Meeting. Unless authority to vote for the election of directors is withheld as to any or all of the nominees, all Common Shares represented by proxy will be voted for the election of the nominees. If the authority to vote for the election of directors is withheld as to any but not all of the nominees, all Common Shares represented by any such proxy will be voted for the election of the nominees as to whom such authority is not withheld. If a nominee becomes unavailable to serve for any reason before the election, the shares represented by proxy will be voted for such other person, if any, as may be designated by the Board. The Board, however, has no reason to believe that any nominee will be unavailable to serve as a director.

Any vacancy on the Board occurring after the election may be filled (1) by election at any annual or special meeting of the shareholders called for that purpose, or (2) by a majority of the remaining directors. However, the remaining directors may not fill more than two such vacancies during the period between any two successive annual meetings of shareholders. A director elected to fill a vacancy will be elected for the unexpired portion of the term of his or her predecessor.

All directors will be elected to serve until the 2016 annual meeting of shareholders and until their successors are duly elected and qualified.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* THE ELECTION OF EACH OF THE NOMINEES TO THE BOARD OF DIRECTORS.

Executive Officers

The executive officers of the Company are Gayla J. Delly, Donald F. Adam and Jon J. King. See “Election of Directors — Nominees for Election” for information regarding Ms. Delly’s age, Company service and business experience.

Mr. Adam, 51, has been Chief Financial Officer of the Company since December 2006. He served as Vice President and Corporate Controller from 2005-2006 and as Corporate Controller from 2002-2005. From 1998-2002, he was Chief Financial Officer of Specialty Piping Components, Inc. Mr. Adam holds a B.B.A. degree in accounting from the University of Texas and is a Certified Public Accountant.

Mr. King, 58, has been Executive VP of Global Operations and Engineering since July 2014. Since 1996, he held various Company positions, most recently as Group President from 2003-2014, responsible for various divisions in Asia and the Americas. Previously, he worked for Honeywell International Inc. and as a Captain in the US Army Corp of Engineers. He has been in the contract manufacturing business for over 30 years and holds a B.S. degree from James Madison University in Geology and an MBA from the Florida Institute of Technology.

Corporate Governance, Committee Charters, Director Independence

The Company places integrity first and foremost, which has long been a part of our corporate identity. The Company’s practices reflect corporate governance compliant with existing standards of the NYSE and the requirements of the SEC, including:

- A majority of our Board members are independent of the Company and its management;
- The independent members of the Board meet regularly without the presence of management;
- The Audit, Compensation and Nominating/Governance Committees operate under charters that clearly establish their respective roles and responsibilities and are comprised solely of directors who meet the independence requirements established by the SEC, NYSE and Internal Revenue Service;
- The chairman of the Audit Committee qualifies as an “audit committee financial expert”, as defined by the SEC;
- The Audit Committee meets with management and the independent auditors to receive information concerning the design and operation of internal controls;
- KPMG, our independent registered public accounting firm, reports directly to the Audit Committee;

- The Company's internal audit group reports directly to the Audit Committee periodically during the year;
- The Company prohibits personal loans or extensions of credit to any executive officer or director;
- The Company's Code of Conduct applies to all employees, officers and directors;
- The Company has a system in place to encourage and facilitate confidential and anonymous reports of compliance concerns, including to the Audit Committee; and
- The Board operates under a set of published corporate governance guidelines.

The Board will continue to enhance the Company's governance practices as new ideas and best practices emerge. You may access our current committee charters, Code of Conduct and Corporate Governance Guidelines, on our website at www.bench.com under "Investor Relations—Corporate Governance," or obtain copies by writing to the Corporate Secretary at Benchmark Electronics, Inc., 3000 Technology Drive, Angleton, Texas 77515, phone 979-849-6550.

Shareholders and other interested parties may send communications to the Board, the nonemployee directors as a group or to individual directors, in each case, care of Benchmark Electronics, Inc., 3000 Technology Drive, Angleton, Texas 77515.

Operation of Board of Directors and Committees, Attendance

The Board is responsible for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. The Board's primary responsibility is to oversee the Company's management and, in so doing, serve the best interests of the Company and its shareholders. The Board selects, evaluates