

BENCHMARK ELECTRONICS INC
Form DEFR14A
April 05, 2019
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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))

Revised Definitive Proxy Statement

Definitive Additional Materials

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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing:

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No:
- (3) Filing Party:
- (4) Date Filed:

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Explanatory Note

As set forth in our Definitive Proxy Statement and Notice of 2019 Annual Meeting of Shareholders (see pages 38-45) filed with the Securities and Exchange Commission on April 2, 2019 (the Proxy Statement), we are seeking shareholder approval of the Benchmark Electronics, Inc, 2019 Omnibus Incentive Compensation Plan (the 2019 Plan), which was attached as Annex A to the Proxy Statement. We are filing this additional soliciting material to correct the inadvertent omission from the 2019 Plan of the maximum number of shares of common stock, \$0.10 par value per share (Common Shares) that are permitted to be delivered pursuant to incentive stock options under the 2019 Plan (the ISO Limit). As was indicated in the proposal on page 40 of the Proxy Statement, the ISO Limit is 1,700,000 Common Shares. A copy of the 2019 Plan, as corrected to include the ISO Limit, is attached to this amendment as Annex A. Other than the ISO Limit, the copy of the 2019 Plan attached to this amendment is identical to the copy attached as Annex A to the Proxy Statement.

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BENCHMARK ELECTRONICS, INC.

56 South Rockford Drive

Tempe, Arizona 85281

NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON WEDNESDAY, MAY 15, 2019

Date and Time:

Wednesday, May 15, 2019

Time:

8:00 a.m. MST

Location:

Benchmark Electronics, Inc.

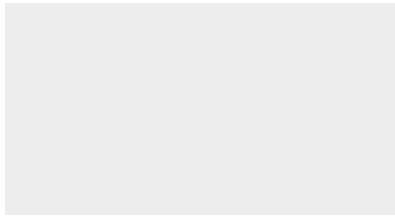
56 South Rockford Drive

Tempe, Arizona 85281

AGENDA:

1. to elect eight directors to serve on the Board of Directors until the 2020 annual meeting of shareholders and until their successors are duly elected and qualified;
2. to approve the compensation of the Company's named executive officers;
3. to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2019; and
4. to approve the Benchmark Electronics, Inc. 2019 Omnibus Incentive Compensation Plan (the *2019 Plan*)

5. to transact such other business as may properly come before the meeting or any adjournment thereof.



RECORD DATE

Shareholders of record of Benchmark Electronics, Inc. (the *Company*) at the close of business on March 19, 2019 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/ Stephen J. Beaver

Stephen J. Beaver

Secretary

Tempe, Arizona

April 2, 2019

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 of Internet Availability of Proxy Materials (the *Notice*) we sent to you in hand because it has your personal control number(s) needed for your vote.

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

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; then complete, sign and date the proxy card and return it to the address indicated thereon.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 15, 2019:

THE PROXY MATERIALS FOR THE ANNUAL MEETING, INCLUDING THIS PROXY STATEMENT AND THE COMPANY S 2018 ANNUAL REPORT TO SHAREHOLDERS, ARE AVAILABLE AT WWW.BENCH.COM UNDER INVESTORS OR AS PROVIDED IN THE NOTICE.

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Benchmark Electronics, Inc. 2019 Proxy Statement

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BENCHMARK ELECTRONICS, INC.

56 South Rockford Drive

Tempe, AZ 85281

(623) 300-7000

April 2, 2019

PROXY STATEMENT

FOR

2019 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON WEDNESDAY, MAY 15, 2019

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 Company's 2019 annual meeting of shareholders to be held on Wednesday, May 15, 2019 beginning at 8:00 a.m. MST, and any adjournment thereof (the **Meeting**) for the purposes set forth in this Proxy Statement.

Pursuant to rules adopted by the Securities and Exchange Commission (**SEC**), we are making this Proxy Statement and our 2018 Annual Report to Shareholders available to shareholders electronically on the Internet. On or about April 2, 2019, we began mailing a Notice of Internet Availability of Proxy Materials (**Notice**) to our shareholders with instructions on how to access the proxy materials online or request a printed copy of the materials. We believe this electronic process will expedite your receipt of the proxy materials and reduce the cost and environmental impact of the Meeting.

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 2020 annual meeting of shareholders and until their successors are duly elected and qualified,

FOR the resolution approving the named executive officer compensation (***Say-on-Pay***) for 2018 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, 2019.

FOR the approval of the 2019 plan

The proxy also confers on the persons named therein discretionary authority to vote with respect to any other matter that properly comes before the Meeting.

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

Shareholders Entitled to Vote

Shareholders of record at the close of business on March 19, 2019 (***Record Date***) are entitled to notice of and to vote at the Meeting. As of March 19, 2019, there were 40,294,492 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, bank or other nominee for which you do not submit voting instructions will not be voted and will be deemed not entitled to vote with regard to certain proposals.

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INTRODUCTION

How to Vote If You Are a Registered Holder of Common Stock

If you are a registered holder of shares, you may vote them either by proxy as set forth in the Notice and/or proxy card in advance of the Meeting or by voting in person at the Meeting. By submitting a proxy, you are legally authorizing another person to vote your shares on your behalf.

Attending the Meeting

Only holders of our Common Shares as of the close of business on the Record Date, which was March 19, 2019, or their duly appointed proxies, may attend the Meeting. If you hold your shares through a broker, bank or other nominee, you will be required to show the Notice or voting instructions form you received from your broker, bank or other nominee or a copy of a statement (such as a brokerage statement) from your broker, bank or other nominee reflecting your stock ownership as of the Record Date in order to be admitted to the Meeting. All attendees must bring a government-issued photo ID to gain admission to the Meeting. Please note that recording devices, photographic equipment, large bags and packages will not be permitted in the meeting room.

How to Vote If You Hold Your Shares in Street Name

Most shareholders do not have their shares registered directly with the Company in their name; instead their shares are held in their brokerage account or by a bank or other custodian who votes the shares according to the instructions submitted to them by the beneficial owner of the shares. If you do not submit voting instructions to your broker, bank or other nominee, they will not be permitted to vote your shares on any proposal, unless the proposal constitutes a discretionary item and your broker, bank or other nominee is a member of the New York Stock Exchange (*NYSE*) and permitted by NYSE rules to vote on discretionary items, such as the ratification of the Company's independent registered public accounting firm. The election of directors, the Say-on-Pay vote and the approval of the 2019 plan are nondiscretionary items. Without your instructions, your shares may be represented at the Meeting, but as to nondiscretionary items, they may not be voted, resulting in *broker non-votes* on those items. 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).

Accordingly, we urge you to promptly give instructions to your broker to vote *FOR* each of the proposals contained in this Proxy Statement by using the voting instruction card provided to you by the custodian. Please note that if you intend to vote your street name shares in person at the Meeting, you must obtain a legal proxy from your broker, bank or other nominee and present it at the Meeting.

Quorum, Voting Requirements and Other Matters

The presence at the Meeting, in person or represented by proxy, of the holders of a majority of the outstanding Common Shares is necessary to constitute a quorum for the conduct of business. 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 lacks instructions as to any discretionary item.

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. Proxies granted by shareholders holding their shares in street name to their broker, board or other nominee and left uninstructed with respect to any nondiscretionary items are deemed to be not entitled to vote on those items, as broker non-votes, and will not be included in the calculation of voting results for those matters (either in the numerator or the denominator).

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.

Voting Results

The preliminary voting results may be announced at the Meeting. The final voting results will be announced in a Current Report on Form 8-K filed with the SEC within four business days after the Meeting.

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The following table sets forth information with respect to each nominee for election as a director of the Company nominated by the Board. Each nominee was proposed to the Board for election by its Nominating/Governance Committee, and the Board determined to nominate these candidates for election by the shareholders at the Meeting. The Board has reviewed the qualifications of each nominee and has determined that, other than Mr. Benck, 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 Internal Revenue Code of 1986, as amended (the *Code*), and applicable regulations. The information as to age, principal occupation and directorships has been furnished by the nominees.

The Board unanimously recommends a vote **FOR the election of each of the following nominees.**

Name	Age	Principal Occupation	Director Since
David W. Scheible	62	Chairman of the Board of the Company, Retired Chairman and Chief Executive Officer of Graphic Packaging Holding Company, Current Operating Advisor to the funds of Clayton, Dubilier & Rice	2011
Bruce A. Carlson	69	Retired General, United States Air Force	2017
	68	Retired President and Chief Executive Officer of FedEx Freight Corporation	2006

Douglas G. Duncan

Robert K. Gifford 61 President and Chief Operating Officer of BeachBody LLC 2016

Kenneth T. Lamneck 64 President and Chief Executive Officer of Insight Enterprises, Inc. 2013

Jeffrey S. McCreary 62 Former Interim President and Chief Executive Officer of Isola Group 2016

Merilee Raines 63 Retired Chief Financial Officer of IDEXX Laboratories, Inc. 2018

Jeffrey W. Benck 53 President and Chief Executive Officer of the Company 2019

Board Tenure, Skills and Qualifications

TENURE

SKILLS AND QUALIFICATIONS

Executive Leadership



International Operations

 6 of 8 Directors
Corporate Strategy

 7 of 8 Directors
Finance

 4 of 8 Directors
Technology

 4 of 8 Directors

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PROPOSAL 1 ELECTION OF DIRECTORS

DAVID W. SCHEIBLE

Age: 62

Director Since: 2011

Committees:

Compensation

Nominating/Governance

Biographical Information

David W. Scheible has been a director of the Company since 2011 and has served as non-executive Chairman of the Board since March 2016. He serves on the Compensation and the Nominating/Governance Committees. Since June 2016, he has been an Operating Advisor to the funds of Clayton, Dubilier & Rice, a private investment firm. From 1998 to December 2015, Mr. Scheible held increasingly senior-level executive roles at 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 served as its Chairman of the Board (May 2013-May 2016), Chief Executive Officer (2007-December 2015), and previously as Chief Operating Officer and Executive Vice President of Commercial Operations. From 1986 to 1998, he was an executive with Avery Dennison Corporation, a global manufacturer of self-adhesive products, office products and specialized label systems. Mr. Scheible received an MBA in Finance and a Bachelor of Science in Biochemistry from Purdue University.

Qualifications

With his experience as chairman, chief executive officer and as a senior executive of global manufacturing, including contract manufacturing, companies over his 30-year career, Mr. Scheible brings highly relevant leadership skills and international operations expertise to the Board.

BRUCE A. CARLSON

Age: 69

Director Since: 2017

Committees:

Audit

Nominating/Governance

Biographical Information

Bruce A. Carlson has been a director of the Company since 2017 and is a member of the Audit and the Nominating/Governance Committees. He retired as an Air Force General in 2009 after 37 years of service. During his final Air Force assignment, he commanded Air Force Materiel Command at Wright-Patterson AFB, Ohio from 2005 to 2008. He also served as Commander, Eighth Air Force at Barksdale AFB, Louisiana from 2003 to 2005; Director for Force Structure, Resources and Assessment (J-8) for the Joint Staff from 2000 to 2003; Director of Operational Requirements at U.S. Air Force Headquarters from 1996 to 2000; and Commander, 49th Fighter Wing (the Air Force's first stealth fighter wing) at Holloman AFB, New Mexico from 1995 to 1996. Following his Air Force career, Mr. Carlson served as the 17th Director of the National Reconnaissance Office from 2009 to 2012. Mr. Carlson has been Chairman of the Space Dynamics Laboratory's Guidance Council since 2013 and has served as an advisor on space activities to the Johns Hopkins University's Applied Physics Lab since June 2016. In addition, he serves as the Chairman of the Utah State Research Foundation Board of Trustees. Mr. Carlson received a BA in Accounting from the University of Minnesota, Duluth, and an MA in Business Management from Webster University.

Qualifications

Mr. Carlson brings industry specific expertise within the aerospace and defense sector, and through his service as Commander and Joint Staff Director, provides experience in executive management, logistics and leadership of large organizations

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PROPOSAL 1 ELECTION OF DIRECTORS

DOUGLAS G. DUNCAN

Age: 68

Director Since: 2006

Committees:

Audit

Nominating/Governance (Chair)

Biographical Information

Douglas G. Duncan has been a director of the Company since 2006, is a member of the Audit Committee and chairs the Nominating/Governance Committee. 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, wholly owned subsidiary corporation of FedEx Corporation and served in that capacity from 2001 to 2010. He also served on the Strategic Management Committee of FedEx Corporation. Before the formation of FedEx Freight, Mr. Duncan served as President and Chief Executive Officer of Viking Freight. Mr. Duncan has also held management positions in operations, sales and marketing with Caliber System and Roadway Express. He served on the Executive Committee of the American Trucking Associations and as Chairman of the American Transportation Research Institute. He graduated from Christopher Newport University, where he served on the Board of Visitors. He also serves on the board of directors of J.B. Hunt Transport Services, Inc.

Qualifications

Mr. Duncan brings to the Board not only his experience as a chief executive officer, but also his skills and insight into operational logistics, which he developed over the course of his 30-year career in the transportation industry. His ability to develop and execute corporate strategy at an organizational level is evidenced by his leadership as President and Chief Executive Officer at FedEx Freight.

ROBERT K. GIFFORD

Age: 61

Director Since: 2016

Committees:

Nominating/Governance

Compensation (Chair)

Biographical Information

Robert K. Gifford has been a director of the Company since 2016, is a member of the Nominating/Governance Committee and chairs the Compensation Committee. Since March 2017, he has served as the President and Chief Operating Officer of BeachBody LLC, a fitness company. From June 2016-February 2017, he was the Head of Operations and Quality for the Ultrasound Division of Siemens Healthineers, a medical technology company. From 2010 to June 2015, he held increasingly senior roles at Ingram Micro Inc., a global technology distributor and technology sales, marketing and logistics company, most recently serving as Senior Executive Vice President and President of Supply Chain Solutions and previously as Executive Vice President of Global Logistics. Mr. Gifford also previously served as Senior Vice President of Global Supply Chain at Ecolab Inc., a provider of cleaning and sanitizing products to healthcare and food and beverage industries worldwide, and as Vice President of its North America Chemical Supply Chain & Global Equipment Supply Chain. Prior to that, Mr. Gifford progressed from early management roles beginning in 1996 at Compaq Computer Corporation prior to its acquisition by Hewlett-Packard Company (n/k/a HP Inc.), to serving as Vice President of Worldwide Logistics and Program Manager of HP, Inc. He received his MBA from Texas A&M University in 2006 and his BS in Manufacturing Management from San Jose State University in 1996.

Qualifications

Mr. Gifford brings to the Board his experience and expertise leading global supply chain systems for Fortune 100 companies in the technology industry.

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PROPOSAL 1 ELECTION OF DIRECTORS

KENNETH T. LAMNECK

Age: 64

Director Since: 2013

Committees:

Audit (Chair)

Nominating/Governance

Biographical Information

Kenneth T. Lamneck has been a director of the Company since 2013, chairs the Audit Committee and is a member of the Nominating/Governance Committee. 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 to 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 to 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. Following five years of service in the United States Army, he began his civilian career at IBM as an engineer. 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.

Qualifications

Mr. Lamneck's wide-ranging industry experience over 30 years, both as a chief executive officer of a global technology provider and in other leadership roles at multiple global hardware, software and services companies, enables him to bring to the Board a strong international operations background and a depth of understanding into the operation and management of companies in the technology industry.

JEFFREY S. MCCREARY

Age: 62

Director Since: 2016

Committees:

Nominating/Governance

Compensation

Biographical Information

Jeffrey S. McCreary has been a director of the Company since 2016 and serves on the Nominating/Governance and Compensation Committees. He served as a member of the board of directors (2006-2017) of Isola Group, a leading global material sciences company that designs, develops, manufactures and markets laminate materials used to fabricate advanced multilayer printed circuit boards, and for the period of August 2015 to January 2016 served as its Interim President and CEO. Mr. McCreary also served as a director and Interim President and Chief Executive Officer of Integrated Device Technology, Inc., which develops system-level solutions that optimize customers' applications. In addition, he previously served as a director of MIPS Technologies, Inc., a leading provider of industry-standard processor architectures and cores for digital home, networking and mobile applications, and as a director of the Gennum Corporation, a provider of semiconductor solutions and intellectual property cores. Mr. McCreary is a former Senior Vice President at Texas Instruments, where he also served as Manager of Worldwide Sales and Marketing and in a number of other executive positions, including General Manager of Advanced Logic Products and General Manager of Worldwide Military Semiconductors. He is an NACD Board Leadership Fellow and received a B.S. in Electrical Engineering from the Rose-Hulman Institute of Technology in 1979 and an Honorary Doctorate of Engineering from Rose-Hulman in 2004.

Qualifications

Mr. McCreary brings to the Board his technology expertise, together with his experience as an executive and director of technology companies.

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PROPOSAL 1 ELECTION OF DIRECTORS

MERILEE RAINES

Age: 63

Director Since: 2018

Committees: