

ROBERSON DAVID EARLE
Form 4
October 28, 2011

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
ROBERSON DAVID EARLE

2. Issuer Name and Ticker or Trading Symbol
INTERNATIONAL GAME TECHNOLOGY [IGT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
10/27/2011

Director 10% Owner
 Officer (give title below) Other (specify below)

C/O INTERNATIONAL GAME TECHNOLOGY, 9295 PROTOTYPE DRIVE

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

RENO, NV 89521

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Stock	10/27/2011		M ⁽¹⁾	4,000 A \$ 11.71	7,500	D	
Common Stock	10/27/2011		S ⁽¹⁾	4,000 D \$ 17.75	3,500	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Stock Option (right to buy)	\$ 11.71	10/27/2011		M ⁽¹⁾	4,000	03/03/2009 ⁽²⁾ 03/03/2018	Common Stock	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROBERSON DAVID EARLE C/O INTERNATIONAL GAME TECHNOLOGY 9295 PROTOTYPE DRIVE RENO, NV 89521	X			

Signatures

Virginia Williams, Attorney-In-Fact for David E. Roberson

10/28/2011

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Transaction occurred pursuant to a Rule 10b5-1 Trading Plan established on November 18, 2010.

(2) The option vested in equal annual installments at the rate of 33-1/3% on March 3, 2009, March 2, 2010, and March 1, 2011.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

300,000 182,500 300,000 289,560 Senior Vice President, Human Resources 2001 Marc Onetto 2003 110,769 1,123,288 1,976,000 1,600,000 1,420 Executive Vice President, 2002 Worldwide Operations 2001 Kiran Patel 2003 595,032 316,089 547,500 750,000 13,680 Executive Vice President and 2002 600,002 600,000 120,000 13,807 Chief Financial Officer 2001 46,154 Kevin Burns (5) 2003 385,000 200,220 350,000 12,676 Executive Vice President and 2002 375,089 169,994 115,000 13,465 Chief Materials Officer 2001 333,854 219,376 79,877 11,862 George W. Moore (6) 2003 385,060 196,728 70,000 12,676 Executive Vice President, 2002 373,212 121,501 70,000 475,454 Global Services Business Unit 2001 360,692 189,111 56,250 13,072

- (1) Perquisites are not included since the aggregate amount is less than the lesser of \$50,000 or 10% of salary and bonus, in accordance with regulations promulgated by the SEC; therefore, the Other Annual Compensation has not been included in this table. Bonus compensation reported for fiscal years 2003, 2002, and 2001 was earned in that fiscal year, but may have been paid in the subsequent fiscal year or placed all or in part into the Company's Executive Deferred Compensation Plan.
- (2) The Company does not have any Long-Term Incentive Plans as that term is defined in regulations promulgated by the SEC.
- (3) Amounts based on the closing market share price for Company common stock on January 6, 2003 and July 17, 2003, the restricted stock grant dates for Michael R. Cannon and Marc Onetto, respectively. As of August 29, 2003, Mr. Cannon held 1,038,268 shares of restricted stock with a value of \$6,156,929 and Mr. Onetto held 400,000 shares of restricted stock with a value of \$2,372,000, based on the closing market price for Company common stock on such date. Mr. Cannon's restricted stock is subject to a Company repurchase right, which expires in its entirety on January 6, 2005. Mr. Onetto's restricted stock is subject to a Company repurchase right, which expires in its entirety on the earlier of June 18, 2007 or a change of control of the Company. The restricted stock granted to Messrs. Cannon and Onetto is also subject to accelerated vesting upon termination without cause, resignation for good reason, or termination due to death or disability, and is entitled to dividends (if paid by the Company, as determined by the Board).

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With respect to Craig London, Kevin O'Connor and Kiran Patel, amounts are based on the closing market price for Company common stock on May 21, 2003. The restricted stock was authorized for issuance by the Board on May 21, 2003, but the shares were not issued and purchased until September 2003. As of August 29, 2003, Mr. London would have held 100,000 shares of restricted stock with a value of \$593,000, Mr. O'Connor would have held 50,000 shares with a value of \$296,500 and Mr. Patel would have held 150,000 shares with a value of \$889,500, the value in each case based on the closing market price for Company common stock on such date. The restricted stock is subject to a Company repurchase right, which expires in its entirety on May 22, 2008; provided, that, (i) 50% of the shares subject to repurchase (the First Block) will immediately vest if during any 90 day rolling period after May 22, 2003 the fair market value of the Company's common stock equals or exceeds \$10 and (ii) at least two years after the First Block has vested, 50% of the shares subject to repurchase may immediately vest if during any 90 day rolling period after May 22, 2003 the fair market value of the Company's common stock equals or exceeds \$15. The restricted stock is entitled to dividends (if paid by the Company, as determined by the Board).

- (4) Amounts include the Company's contributions to a 401(k) plan and premiums under executive group term life and disability insurance policies. With respect to Kevin O'Connor, amount includes a \$282,439 payment for relocation assistance.
- (5) Kevin Burns was removed from the Company's list of executive officers in July 2003. Mr. Burns resigned from the Company following the end of fiscal 2003.
- (6) George W. Moore was removed from the Company's list of executive officers in July 2003. Mr. Moore is currently an executive vice president of the Company.

Stock Option Grants and Exercises

The following tables set forth, for the executive officers named in the Summary Compensation Table, the stock options granted under the Company's stock option plans, the options exercised by such executive officers and restricted stock granted during Fiscal 2003.

Stock Option Grants in Fiscal 2003

Name	Individual Grants			Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term(2)		
	Options Granted (#)(1)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Share)	Expiration Date	5%(\$)	10%(\$)

Explanation of Responses:

Individual Grants

Michael R. Cannon	4,500,000	21.81%	\$3.99	01/06/2013	\$11,291,803	\$28,615,646
Craig London	500,000	2.42	3.65	05/21/2013	1,147,733	2,908,580
Kevin O'Connor	100,000	0.48	3.10	11/12/2012	194,957	494,060
	200,000	0.97	3.65	05/21/2013	459,093	1,163,432
Marc Onetto	1,600,000	7.75	4.24	06/18/2013	4,266,421	10,811,949
Kiran Patel	130,000	0.63	3.77	09/04/2012	308,221	781,093
	620,000	3.00	3.65	05/21/2013	1,423,189	3,606,639
Kevin Burns	100,000	0.48	3.77	09/04/2012	237,093	600,841
	250,000	1.21	5.27	07/15/2013	828,569	2,099,756
George Moore	70,000	0.34	3.77	09/04/2012	165,965	420,589

- (1) All options granted become exercisable as to one forty-eighth (1/48) of the shares after each month from the date of grant. With respect to Michael R. Cannon, amount includes 3,750,000 shares pursuant to a stand-alone stock option agreement that is not a part of the Company's 2002 Stock Option Plan. With respect to Marc Onetto, amount includes 850,000 shares pursuant to a stand-alone stock option agreement that is not a part of the Company's 2002 Stock Option Plan. The terms and provisions in these stand-alone agreements are substantially similar to the stock option agreements under the Company's 2002 Stock Option Plan, with the exception that (i) Mr. Cannon's agreement provides for acceleration of vesting upon termination without cause, resignation for good reason, or termination due to death or disability prior to and following a change of control of the Company and (ii) Mr. Onetto's agreement provides for acceleration of vesting upon a change of control.

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- (2) Potential realizable value is based on an assumption that the stock price of the Common Stock appreciates at the annual rate shown (compounded annually) from the date of grant until the end of the ten (10) year option term. Potential realizable value is shown net of exercise price. These amounts are calculated based on the regulations promulgated by the SEC and do not reflect the Company's estimate of future stock price growth.

Aggregated Option Exercises in Fiscal 2003 and Year-End Values

Name	Shares Acquired on Exercise (#)	Value Realized \$(1)	Total Number of Unexercised Options Held at Fiscal Year End (#)		Value of Unexercised, In-the- Money Options Held at Fiscal Year End \$(2)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Michael R. Cannon			656,250	3,843,750	\$1,273,125	\$7,456,875
Craig London			66,666	533,334	71,250	1,068,750
Kevin O'Connor			33,333	266,667	87,457	651,543
Marc Onetto			66,666	1,533,334	112,666	2,591,334
Kiran Patel			128,541	741,459	152,699	1,541,701
Kevin Burns			271,704	398,937	52,936	328,064
George Moore			93,174	103,076	34,649	116,551

- (1) Fair market value of underlying securities at exercise minus the exercise price.
- (2) Calculated based upon the August 29, 2003 fair market value share price of \$5.93 less the share price to be paid upon exercise. There is no guarantee that if and when these options are exercised they will have this value.

Equity Compensation Plan Information

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The following table provides information as of August 29, 2003 about our common stock that may be issued upon the exercise of options granted to employees, consultants or members of our Board of Directors under all of our existing equity compensation plans, including the 1992 and 2002 Stock Option Plans, and the 2003 Employee Stock Purchase Plan (ESPP), each as amended, as well as options assumed in acquisitions.

Plan Category	Number of Shares to be Issued upon Exercise of Outstanding Options (#)	Weighted Average Exercise Price of Outstanding Options (\$)	Number of Shares Remaining Available for Future Issuance (#)
		(Shares in millions)	
Equity compensation plans approved by security holders	63.3(1)	\$ 14.4	73(2)
Equity compensation plans not approved by security holders	4.6(3)	4.6	
Total	67.90	\$ 13.46	73

- (1) Amount includes 7,328,527 shares underlying options assumed by Solectron that were originally granted under plans established by various companies acquired by Solectron. Such options have an aggregate weighted average exercise price of \$12.80. No grants are made under any plans assumed by Solectron.
- (2) Shares remaining available for future issuance are under the Company's 2002 Stock Option Plan. Amount includes 17.7 million shares of Company common stock reserved under the Company's 2003 ESPP for future issuance.
- (3) Includes Michael R. Cannon's stand-alone stock option agreement for 3,750,000 shares and Marc Onetto's stand-alone stock option agreement for 850,000 shares. The terms and provisions in these stand-alone agreements are substantially similar to the stock option agreements under the Company's 2002 Stock Option Plan, with the exception that (i) Mr. Cannon's agreement provides for acceleration of vesting upon termination without cause, resignation for good reason, or termination due to death or disability prior to and following a change of control of the Company and (ii) Mr. Onetto's agreement provides for acceleration of vesting upon a change of control.

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Employment Agreements

The Company entered into an executive Employment Agreement with Michael R. Cannon on January 6, 2003. The Employment Agreement provides for: (i) an initial term of two years with automatic renewal for an additional one year term unless proper notice is otherwise provided; (ii) an initial base salary of \$925,000 subject to review and adjustments; (iii) a signing bonus in the amount of \$2,000,000; (iv) an annual target bonus of up to two times base salary based on achievement of performance goals set by the Compensation Committee of the Board, with a guaranteed full target bonus for the first year of employment; (v) an initial nonstatutory stock option grant for 4,500,000 shares of common stock, with ratable monthly vesting of 1/48th of the initial grant amount; (vi) a restricted common stock grant of 1,038,268 shares subject to a Company repurchase right which expires in its entirety on January 6, 2005; (vii) a \$3,000,000 credit (the "Deferred Compensation Amount") for the benefit of Mr. Cannon under the Company's Executive Deferred Compensation Plan, with vesting at the rate of 1/8 of the Deferred Compensation Amount per fiscal quarter of employment; (viii) 100% acceleration of vesting of the restricted stock and Deferred Compensation Amount if Mr. Cannon is terminated without cause, resigns for good reason or is terminated due to death or disability (as such terms are defined in the Employment Agreement); (ix) severance benefits if Mr. Cannon is terminated without cause, resigns for good reason or is terminated due to death or disability prior to a change of control or after 12 months following a change of control, including (1) a one-time payment equal to two times his then current annual base salary and target bonus (not applicable to termination due to death or disability) (the "Severance Bonus"), (2) accelerated vesting of outstanding options (lesser of 50% of options granted and options then unvested), (3) medical and other benefits coverage for 24 months and (4) extension of option exercise period for 12 months; (x) severance benefits if Mr. Cannon is terminated without cause, resigns for good reason or is terminated due to death or disability within 12 months following a change of control, including (1) the Severance Bonus (not applicable to termination due to death or disability), (2) 100% acceleration of unvested options, (3) medical and other benefits coverage for 36 months and (4) extension of option exercise period for 24 months; and (xi) tax equalization payment to eliminate the effects of any applicable golden parachute excise tax.

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The Company entered into an executive Employment Agreement with Marc Onetto on June 18, 2003. The Employment Agreement provides for: (i) an initial term of two years with automatic renewal for an additional one year term unless proper notice is otherwise provided; (ii) an initial base salary of \$600,000 subject to review and adjustments; (iii) a signing bonus in the amount of \$ 1,000,000; (iv) an annual target bonus of up to two times base salary based on achievement of performance goals set by the Compensation Committee of the Board, with a guaranteed bonus of 100% of base salary for the first year of employment; (v) an initial nonstatutory stock option grant for 1,600,000 shares of common stock, with ratable monthly vesting of 1/48th of the initial grant amount and 100% acceleration of vesting upon a change of control; (vi) a restricted common stock grant of 400,000 shares subject to a Company repurchase right which expires in its entirety on July 17, 2007 and 100% acceleration of vesting upon a change of control; (vii) an \$800,000 credit (the Onetto Deferred Compensation Amount) for the benefit of Mr. Onetto under the Company's Executive Deferred Compensation Plan, which will vest on the eighth anniversary of Mr. Onetto's hire date and 100% upon a change of control; (viii) severance benefits if Mr. Onetto is terminated without cause, resigns for good reason or is terminated due to death or disability (as such terms are defined in his Employment Agreement) prior to a change of control or after 12 months following a change of control, including (1) a 6 month consulting contract (not applicable to death or disability), (2) a one-time payment equal to 100% of his then

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current annual base salary and target bonus plus an additional amount based on years of service (not applicable to termination due to death or disability), (3) accelerated vesting of the Onetto Deferred Compensation Amount and all unvested restricted stock and (4) medical and other benefits coverage for 12 months following the consulting period (not applicable to termination due to death or disability); (ix) severance benefits if Mr. Onetto is terminated without cause or resigns for good reason within 12 months following a change of control, including (1) a one-time payment equal to two times his then current base salary and bonus, (2) medical and other benefits coverage for 36 months and (3) extension of option exercise period for 24 months; and (x) a tax equalization payment to eliminate the effects of any applicable golden parachute excise tax.

The Company entered into executive Employment Agreements with each of Kiran Patel and Kevin O Connor on November 12, 2002. The Employment Agreements provide for: (i) salary as in effect on the date of the agreement subject to review and adjustments; (ii) participation in any bonus plan applicable to other senior executives; and (iii) severance benefits if there is termination without cause (as defined in the agreements), including (1) continuing payments of then applicable salary and target bonus for a minimum of 12 months plus one additional month for each year of service (up to an aggregate of 24 months) and (2) medical and other benefits coverage for the same 12-24 month period.

The Company entered into an executive Employment Agreement with David Everett on March 10, 2003. The Employment Agreement provides for: (i) an initial base salary of \$320,000 subject to review and adjustments; (ii) participation in any bonus plan applicable to other senior executives; (iii) severance benefits if there is termination without cause (as defined in the agreement), including (1) continuing payments of then applicable salary and target bonus for a minimum of 12 months plus one additional month for each year of service (up to an aggregate of 24 months) and (2) medical and other benefits coverage for the same 12-24 month period; and (iv) the same change of control severance benefits and tax equalization provisions as summarized below under Change-of-Control Agreements.

Change-of-Control Agreements

The Company entered into Change of Control Severance Agreements with Craig London, Kevin O Connor and Kiran Patel during Fiscal 2003. Pursuant to these agreements, each of these executive officers is entitled to severance benefits if, within 12 months following a change of control (as defined in the agreements), the executive officer's employment is terminated by the Company other than for cause, death or disability (each as defined in the agreements) or such executive officer resigns for good reason (as defined in the agreements). These severance benefits include payment for a period of up to 24 months following termination of annual base salary and target bonus, continued company-paid coverage of certain employee benefits for 36 months following termination, continued vesting of stock options for a period of 12 months following termination, extension of option exercise period to one year and ninety days and a tax equalization payment to eliminate the effects of any applicable golden parachute excise tax.

Separation Agreements

The following former executive officers of the Company entered into Separation and Release Agreements with the Company in Fiscal 2003, entitling such officers to the indicated severance payments: Mohammad R. Behrouzi (\$66,125 per month for 24 months), Philip E. Fok (\$37,500 per month for 22 months), Alejandro Gomez-Montoy (\$60,375 per month for 18 months), Daniel Perez (\$66,798 per month for 23 months), Sen-Yuan Ro (\$49,833 per month for 24 months) and Dr. Saeed Zohouri (\$166,667 per month for 24 months). All of the agreements also provide for medical and certain other benefits for the duration of the respective severance periods, with the exception of Dr. Zohouri, whose coverage lasts for 36 months.

COMPENSATION COMMITTEE REPORT

Introduction

The Compensation Committee (the Committee) of the Board is charged with the responsibility of reviewing all aspects of the Company's executive compensation programs and administering the Company's stock plans. In Fiscal 2003, the members of the Committee were Dr. Kenneth E. Haughton, Charles A. Dickinson, William A. Hasler and Dr. Paul R. Low, all of whom are non-employee directors of the Company. The Committee meets at the beginning of each fiscal year to establish target base compensation levels for the Company's executive officers for the following fiscal year and to approve bonuses for the previous fiscal year.

Compensation Philosophy

The Company's executive compensation policies are designed to attract and retain qualified executives who will contribute to the Company's long-term success, to reward executives for achieving the Company's financial goals, and to link executive compensation and stockholder interests through market competitive incentives and equity-based plans. The Committee believes that strong financial performance, on a consistent, predictable basis, is the most certain avenue through which the Company can positively affect long-term stockholder return. Furthermore, the Company believes that, in order to attract and retain the most qualified executives in the industry, its compensation policies must be competitive with other companies of comparable size and in similar industries and must reinforce strategic performance objectives through the use of incentive compensation programs. In order to provide incentive to executive officers, the Company pays a significant percentage of the executives' total compensation by means of variable performance-based cash incentives and stock option awards. Determination of each component of variable compensation is based on an assessment of a combination of metrics and individual performance. The amount of incentive compensation for each person in Fiscal 2003 has been determined on the basis of several indicators of corporate performance as outlined below.

Compensation Plans

The following are the key components of the Company's executive officer compensation:

Base Compensation. The Committee establishes base salaries for executive officers based on its review of base salaries of executive officers in companies of comparable size and in similar industries. A majority of the companies used by the Committee in its review of salaries of other companies are a part of the Goldman Sachs Technology Index used in the Stock Performance Graph following.

Bonuses. The Company's executive bonus plan provides for incentive compensation to the Company's executive officers and other key employees and is determined cumulatively on a quarterly basis based principally on certain performance measures. The performance measures include worldwide corporate and individual performance. Worldwide corporate and business unit performance measures for Fiscal 2003 were initially focused on metrics which drive stockholder value creation. To provide greater clarity on specific elements of stockholder value creation, additional specific measures were adopted. These measures included Profit before Interest and Taxes, Days Sales Outstanding and Inventory Turns, terms defined in the Company's amended Annual Operating Plan and communicated to bonus plan participants. The Committee believes that these factors were indicative of overall corporate performance and stockholder value. Individual performance was measured based on goals related to each person's function within the organization. Employees accrued bonuses each quarter based on performance against year-to-date Annual Operating Plan

targets and stockholder value creation targets. However, only 10% of such accrued bonuses were vested and payable quarterly. The remaining accrued bonus balances vested at the end of Fiscal 2003 and were paid upon final determination of earned bonuses.

Long-Term Incentive Compensation. The Company's 2002 Stock Option Plan provides for long-term incentive compensation for employees of the Company, including executive officers. A significant portion of the total compensation package for the Company's executive officers is in the form of stock option awards. These awards give employees an equity interest in the Company, thereby aligning the interests of

executive officers and stockholders and providing incentive to maximize stockholder value.

Policy Regarding Tax Deduction for Compensation Under Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code (IRC) limits the Company s tax deduction to \$1 million for compensation paid to certain executive officers named in the proxy unless the compensation is performance based. The Committee s present intention is to comply with the requirements of IRC Section 162(m), unless the Committee determines that it is in the interests of the Corporation to do otherwise.

Chief Executive Officer Compensation

On January 6, 2003 Michael Cannon joined the Company as an executive officer. On January 10, 2003, Mr. Cannon assumed the position of President and Chief Executive Officer. In order to attract, motivate and retain Mr. Cannon, the Committee recommended and the Board of Directors approved a combination of cash compensation and equity incentives for Mr. Cannon. This combination of cash and equity compensation included a mix of guaranteed compensation and equity vesting and repurchase provisions. As such, the compensation Mr. Cannon received in Fiscal 2003 was not based on the performance of the Company during the fiscal year. The Committee developed the Chief Executive Officer s compensation based on practices of companies of comparable size and similar industries.

Members of the Compensation Committee

- Dr. Kenneth E. Haughton, Chairman
- Charles A. Dickinson
- William A. Hasler
- Dr. Paul R. Low

Compensation Committee Interlocks and Insider Participation

All members of the Compensation Committee, Charles A. Dickinson, William A. Hasler, Dr. Paul R. Low and Dr. Kenneth E. Haughton, meet the standards for independence from the Company as set forth in the applicable NYSE corporate governance rules. Charles A. Dickinson was formerly the President of Solectron Europe from 1993 through 1995, and therefore recuses himself on issues that may involve IRC Section 162(m) rules. The other members of the Compensation Committee have never been executive officers of the Company.

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STOCK PERFORMANCE GRAPH

The following graph compares the cumulative total stockholder return on the Company s Common Stock with the cumulative total return on the S&P 500 Index and the Goldman Sachs Technology Index for the five fiscal years commencing August 31, 1998 and ending August 31, 2003, assuming an investment of \$100 and the reinvestment of any dividends.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of the Company s Common Stock.

CUMULATIVE TOTAL RETURN

Solectron Corporation
Goldman Sachs Technology Index™
S&P 500 Index

The information contained in the Stock Performance Graph section shall not be deemed to be soliciting material or filed or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

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AUDIT COMMITTEE REPORT

The primary 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 has a duly adopted charter which it reviews on an annual basis.

The Audit Committee annually reviews the applicable NYSE corporate governance standards and relevant SEC rules relating to Audit Committee member independence. At its most recent review, the Audit Committee determined that each member of the Committee meets the applicable standards and rules. The Audit Committee also determined that it had fulfilled its responsibilities under the Audit Committee Charter. The Committee met a total of 18 times in Fiscal 2003.

The Audit Committee is responsible for recommending to the Board that Solectron's financial statements be included in Solectron's Annual Report on Form 10-K. The Committee took a number of steps in making this recommendation for Fiscal 2003. First, the Audit Committee discussed with KPMG, Solectron's independent auditors for Fiscal 2003, those matters KPMG is required to communicate to and discuss with the Audit Committee by Statement on Auditing Standards Board Standard No. 61, as amended (Communication with Audit Committees), including information concerning the scope and results of the audit. Second, the Audit Committee discussed KPMG's independence with KPMG and received a letter from KPMG regarding independence as required by the Independence Standards Board Standard No. 1, as amended (Independence Discussions with Audit Committees). Finally, the Audit Committee reviewed and discussed with Company management and KPMG Solectron's audited consolidated balance sheets at August 31, 2003 and 2002, and consolidated statements of income, cash flows, and stockholders' equity for the three years ended August 31, 2003. Based on these reviews and discussions, and additional matters deemed relevant and appropriate by the Audit Committee, the Audit Committee recommended to the Board that Solectron's Annual Report on Form 10-K include these financial statements.

Members of the Audit Committee

C. Wesley M. Scott, Chairman
Heinz Fridrich
Dr. Paul R. Low
Osamu Yamada

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CORPORATE GOVERNANCE

Solectron has long upheld a set of basic beliefs to guide our actions. Among those beliefs is the responsibility to conduct ourselves with the highest standards of ethical behavior when relating to customers, suppliers, employees, investors and the communities where we work.

We believe our corporate governance policies and practices, some of which are summarized below, meet or exceed the standards set forth in applicable SEC and NYSE rules and regulations currently in effect and we intend to meet or exceed all requirements of new rules and regulations as they come into effect.

Independent Directors

- A majority of our Board members are independent of the Company and its management as defined by the SEC and the NYSE.

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- The non-management directors regularly meet in executive session, without management, as part of the normal agenda of our Board meetings.

Nominating and Governance Committee

- The Nominating and Governance Committee has adopted a charter that meets SEC and NYSE standards.
- Nominating and Governance Committee members all meet the applicable tests for independence from Company management.
- Review of the management succession plan is the responsibility of the Nominating and Governance Committee as defined by our Corporate Governance Guidelines.

Compensation Committee

- The Compensation Committee meets the applicable tests for independence as defined by the SEC, the NYSE and Internal Revenue Service rules.
- The Compensation Committee has adopted a charter that meets SEC and NYSE standards.
- Incentive compensation plans are reviewed and approved by the Compensation Committee as part of its charter.
- The compensation plans for the CEO and the other Executive Officers are annually reviewed by the Compensation Committee, with the Committee's recommendations for compensation of these Executive Officers subject to approval by the full Board.
- Director compensation guidelines are reviewed annually by the Compensation Committee, and recommended to the full Board for approval. Director compensation is subject to approval of the full Board.

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Audit Committee

- The Board's Audit Committee has established policies that are consistent with the corporate reform laws and regulations for Audit Committee and auditor independence.
- Audit Committee members all meet the applicable tests for independence from Company management and requirements for financial literacy as set forth in the regulations of the SEC and the corporate governance rules of the NYSE.
- The chair of the Audit Committee is an audit committee financial expert as defined in the applicable regulations of the SEC.
- KPMG LLP, our independent auditors, reports directly to the Audit Committee, and the Audit Committee has sole authority over the hiring and firing of the independent auditors, and all audit engagement fees and terms.
- An ethics hot line (voicemail and email) is available to all employees, customers and suppliers to enable confidential and anonymous reporting to the Audit Committee.
- The Audit Committee meets in private session on a regular basis with the head of the Company's internal audit function, as well as with the Company's independent auditors, outside of the presence of Company management.

Shareholder Approval of Equity Compensation Plans

- The Company requires shareholder approval of all Company equity-compensation plans, and any amendments thereto, and any repricing of options contemplated by the Company in accordance with NYSE corporate governance rules.

Corporate Governance Guidelines

- Solectron has adopted a set of Corporate Governance Guidelines that meet the standards defined by the SEC and the NYSE, including specifications for director qualification and responsibility.
- Continuing education for directors is specified as part of the annual agenda for our Board meetings, under our Corporate Governance Guidelines.

Code of Business Conduct and Ethics

- Solectron has adopted a Code of Business Conduct and Ethics that includes a conflict of interest policy and applies to all directors, officers and employees.
- New employees are trained in the Code of Business Conduct and Ethics as part of new-employee orientation, and are required to affirm in writing their acceptance of the Code.
- Management level employees are required to annually reaffirm in writing their acceptance of the Code of Business Conduct and Ethics.
- The Company's Ethics Office maintains a hot line available to all employees, customers and suppliers to facilitate confidential and anonymous reporting of any questionable activities.

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OTHER MATTERS

The Company knows of no other matters to be submitted at the meeting. If any other matters properly come before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent as the Company may recommend.

BY ORDER OF THE BOARD OF DIRECTORS

Michael F. Grady
Secretary

Dated: December 9, 2003

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Additional Disclosure

The following constitutes amended disclosure of the director equity compensation information set forth on page 6 of the enclosed Solectron Corporation Proxy Statement, dated December 9, 2003. The disclosure on page 6 of the enclosed Proxy Statement under the caption "Director Compensation" regarding the automatic annual grant to Outside Directors of a nonstatutory option to purchase eight thousand (8,000) shares of common stock is incorrect. The correct amount is ten thousand (10,000) shares of common stock.

SOLELECTRON CORPORATION
C/O EQUISERVE
P.O. BOX 43004
PROVIDENCE, RI 02940-3004

VOTE BY INTERNET www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS

If you would like to significantly reduce the costs incurred by Solectron Corporation in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote your shares using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

VOTE BY PHONE 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign, and date your proxy card and return it in the postage-paid envelope we have provided or return it to Solectron Corporation, c/o ADP, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

SLECT1

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

SOLELECTRON CORPORATION

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE "FOR" THE NOMINEES LISTED BELOW.

Election of Directors

- 1. To elect (9) directors to serve for the ensuing year and until their successors are duly elected and qualified.
 - 01) William A. Hasler
 - 02) Michael R. Cannon
 - 03) Richard A. D Amore
 - 04) Heinz Fridrich
 - 06) Dr. Paul R. Low
 - 07) C. Wesley M. Scott
 - 08) Osamu Yamada
 - 09) Cyril Yansouni

05) William R. Graber

For All	Withhold All	For All Except	To withhold authority to vote, mark "For All Except" and write the nominee's number on the line below.
0	0	0	

Vote On Proposals		For	Against	Abstain
2.	To approve an amendment to the Company's 2002 Stock Option Plan to permit an option exchange program.	0	0	0
3.	To ratify the appointment of KPMG LLP as independent auditors of the Company for the fiscal year ending August 31, 2004.	0	0	0
4.	To transact such other business as may properly come before the meeting or any adjournment thereof.			

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, YOU ARE URGED TO SIGN AND PROMPTLY MAIL THIS PROXY IN THE RETURN ENVELOPE, SO THAT YOUR STOCK MAY BE REPRESENTED AT THE MEETING.

Please indicate if you plan to attend this meeting

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
OF SOLECTRON CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be Held January 7, 2004**

The undersigned hereby appoints Michael R. Cannon and Kiran Patel, and each of them, with full power of substitution, to represent the undersigned, and to vote all of the shares of stock in Solectron Corporation (the "Company"), a Delaware corporation, which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Company to be held at The Westin Hotel, 5101 Great America Parkway, Santa Clara, CA 95054 on Wednesday, January 7, 2004 at 9:00 a.m., local time, and at any adjournment thereof (1) as hereinafter specified upon the proposals set forth on the reverse side, and as more particularly described in the Proxy Statement of the Company dated December 9, 2003 (the "Proxy Statement"), receipt of which is hereby acknowledged, and (2) in their discretion, upon such other matters as may properly come before the meeting. The undersigned hereby acknowledges receipt of the Company's Annual Report for the fiscal year ended August 29, 2003.

THE SHARES REPRESENTED HEREBY SHALL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, SUCH SHARES SHALL BE VOTED FOR PROPOSALS 1, 2 AND 3.

CONTINUED AND TO BE SIGNED ON REVERSE SIDE.