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March 11, 2009

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - *Securities Act*, s. 88 – Cease to be a reporting issuer in BC - The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market - The issuer became a wholly owned subsidiary of another company; the issuer has debt securities outstanding that are held by more than 50 holders; there is a de minimis number of Canadian holders of the debt securities holding a de minimis amount of the outstanding debt; there is no market for the debt securities; the issuer is required under the terms of the debt instrument to provide certain continuous disclosure to the holders of the debt securities as long as the securities are outstanding, but is not required to remain a reporting issuer in Canada; the issuer does not intend to do a public offering of its securities to Canadian residents; the issuer will not be a reporting issuer in any Canadian jurisdiction

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

In the Matter of
the Securities Legislation of
Québec, British Columbia and Saskatchewan
(the “Jurisdictions”)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Flextronics International Ltd.
(the “Applicant or Flextronics”)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Applicant for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the Applicant is not a reporting issuer under the Legislation (the “Order”).

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Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Autorité des marchés financiers is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in *National Instrument 14-101 Definitions* have the same meaning in this decision unless they are defined in this decision or the context otherwise requires.

Representations

This decision is based on the following facts represented by the Applicant:

1. The Applicant was incorporated in the Republic of Singapore in May 1990.
2. The Applicant's registered office address is located at One Marina Boulevard, #28-00, Singapore 018989, and its U.S. executive offices are located at 2090 Fortune Drive, San Jose, California, 95131.
3. The Applicant became a reporting issuer in each of the Jurisdictions pursuant to a merger transaction with Solelectron Corporation whereby the Applicant acquired all of the outstanding shares of Solelectron Corporation effective October 1, 2007.
4. Pursuant to the terms of the definitive merger agreement entered into among the Applicant, Saturn Merger Corp. (a wholly-owned subsidiary of the Applicant) and Solelectron Corporation, holders of Solelectron Corporation common shares were entitled to elect to receive either 0.3450 of an ordinary share of the Applicant (a "Flextronics Share") or US\$3.89 in cash per Solelectron Corporation common share, subject to proration due to minimum and maximum limits on the amount of stock consideration and cash consideration.
5. The Applicant is subject to continuous disclosure requirements under the Legislation and is not in default of any of its continuous disclosure obligations.
6. The Applicant has no outstanding securities other than 838,449,843 Flextronics Shares as of September 4, 2008 and approximately US\$1.50

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billion of debt securities as of September 12, 2008 held primarily by U.S. investors.

Common Share Holders:

7. Based on share register information provided by Computershare Shareholder Services, Inc., the Applicant's transfer agent, and data compiled by Broadridge Financial Solutions, Inc., as of September 4, 2008 : (i) there were 838,449,843 Flextronics Shares outstanding held by approximately 208,562 shareholders worldwide; (ii) a total of 4,061 direct and indirect beneficial shareholders were Canadian residents representing 1.9% of the registered and beneficial shareholders worldwide and (iii) Canadian residents held 6,756,216 Flextronics Shares or 0.8% of the total Flextronics Shares outstanding. Based on this information, residents of Canada do not: (a) directly or indirectly beneficially own more than 2% of the outstanding Flextronics Shares; or (b) directly or indirectly comprise more than 2% of the total number of Flextronics shareholders worldwide.

Debt Securities Holders:

8. The Applicant has outstanding the following debt securities as at September 12, 2008 (the "Debt Securities"):
 - (i) Flextronics 1.0% Convertible Subordinated Notes issued on August 5, 2003, CUSIP 33938EAK3, of an outstanding principal amount of US\$6,721,000 (the "EAK3 Notes");
 - (ii) Flextronics 1.0% Convertible Subordinated Notes issued on August 5, 2003, CUSIP 33938EAL1, of an outstanding principal amount of US\$493,271,000 (the "EAL1 Notes");
 - (iii) Flextronics 6.25% Senior Subordinated Notes issued on November 17, 2004, CUSIP 33938EAN7, of an outstanding principal amount of US\$402,090,000 (the "EAN7 Notes");
 - (iv) Flextronics 6.50% Senior Subordinated Notes issued on May 8, 2003, CUSIP 33938EAJ6, of an outstanding principal amount of US\$399,622,000 (the "EAJ6 Notes");
 - (v) Flextronics 9.875% Senior Subordinated Notes issued on June 29, 2000, CUSIP 33938EAF4, of an outstanding principal amount of US\$7,687,000 (the "EAF4 Notes"); and

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- (vi) Flextronics Zero Coupon Convertible Junior Subordinated Notes issued on March 2, 2003, of an outstanding principal amount of US\$195,000,000 (the “Zero Coupon Notes”).
9. Based upon the Applicant’s review of the participant position listings provided to US Bank, the trustee under the indentures for the Debt Securities (the “Indentures”), by Depository Trust Company (“DTC”) for each of the aforementioned Flextronics Debt Securities, the Applicant is able to confirm the following as at September 12, 2008:
- (i) in respect of the EAK3 Notes, all of the DTC participants are based in the United States, except that US\$160,000 aggregate principal amount are held by DTC participants resident in India;
 - (ii) in respect of the EAL1 Notes, all of the DTC participants are based in the United States, except that US\$60.3 million aggregate principal amount are held by DTC participants resident in India;
 - (iii) in respect of the EAN7 Notes, all of the DTC participants are based in the United States, except that US\$77.6 million aggregate principal amount are held by DTC participants resident in India;
 - (iv) in respect of the EAJ6 Notes, all of the DTC participants are based in the United States, except that US\$117.4 million aggregate principal amount are held by DTC participants resident in India, and US\$2,850,000 aggregate principal amount are held by two DTC participants resident in Ontario;
 - (v) in respect of the EAF4 Notes, all of the DTC participants are based in the United States, except that US\$200,000 aggregate principal amount are held by a DTC participant resident in India; and
 - (vi) in respect of the Zero Coupon Notes, all of the securityholders are Cayman Islands limited partnerships affiliated with Silver Lake, a private equity fund based in the United States.
10. The Zero Coupon Notes were directly issued to the investors whereas the others Debt Securities were issued with a single global note, with Depository Trust Company's nominee name, CEDE & Co., as the registered holder on behalf of the brokers, other custodians and DTC participants who hold their positions on the book entry system of DTC.

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11. As at September 12, 2008, there were 99 DTC participants holding Flextronics Debt Securities worldwide, two of whom reside in Canada holding US\$2,850,000 (0.7%) of the aggregate principal amount of the EAJ6 Notes for a total of four beneficial holders of Debt Securities resident in Canada.

Convertibility of the Debt Securities:

12. The EAK3 and EAL1 Notes are convertible into Flextronics Shares at a conversion price of \$15.525 per share. However, the Applicant has the right to satisfy the conversion obligation either by delivering shares, cash or a combination of cash and shares. The Zero Coupon Notes are not convertible other than in connection with a change of control transaction and upon maturity will be settled by the payment of cash equal to the face amount of the notes and the issuance of Flextronics Shares to settle any conversion spread (excess of conversion value over face amount of \$10.50 per share) of the notes. Other than as described above, none of the Debt Securities are exchangeable or convertible into securities of the Applicant.

Distribution of the Debt Securities:

13. The following types of offerings were used for each of the Debt Securities:
- (i) The EAK3 Notes were sold pursuant to *Rule 144A* under the 1933 Act (referred to as a “*Rule 144A* Offering”) to Qualified Institutional Buyers (as defined in the U.S. Act);
 - (ii) The EAL1 Notes were first issued under the EAK3 Notes and were resold into the institutional debt market pursuant to a resale shelf registration statement;
 - (iii) The EAN7 Notes were sold pursuant to a *Rule 144A* Offering to Qualified Institutional Buyers and resold pursuant to *Regulation S* under the 1933 Act outside the U.S. (referred to as a “*Regulation S* Offering”) and then a registered exchange offer was completed;
 - (iv) The EAJ6 Notes were sold pursuant to a *Rule 144A* Offering to Qualified Institutional Buyers and a *Regulation S* Offering followed by a registered exchange offer;
 - (v) The EAF4 Notes were sold pursuant to a *Rule 144A* Offering to Qualified Institutional Buyers and *Regulation S* Offering followed by registered exchange offer; and

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- (vi) The Zero Coupon Notes were sold pursuant to a private placement under Section 4(2) of the 1933 Act.
14. To the extent that any of the Debt Securities were initially distributed to Canadian residents, in accordance with the normal course of business for these types of financings, these would have been issued to accredited investors pursuant to exemptions from the prospectus and registration requirements of Canadian Securities Laws.
15. Although the DTC participant position listings do not allow to identify for good the residence of the beneficial owners, as it is possible, for example, that a Canadian person could have an account with a U.S. DTC participant, the foregoing would suggest that there are relatively few, if any, beneficial owners located in Canada.
16. Other than as identified above, the Applicant has no information which would indicate that any of the beneficial owners reside in Canada. After consultation with the Company's investment banking firm, other than as identified above, the Applicant believes that the holders of the Debt Securities issued are predominantly comprised of large institutional investors, including insurance companies, mutual funds, banks and hedge funds, located in the United States.
17. The Applicant has consulted with the responsible Indentures trustee and their investment bankers to determine whether it is practicable to obtain additional information. In addition, counsel to the Applicant has contacted an information agent to investigate further what additional actions could be taken to obtain information regarding the beneficial owners of the Debt Securities. From these efforts, the Applicant understands that DTC participants are under an obligation to respect the confidentiality of the beneficial owners for whom they hold these securities. Accordingly, even if the Applicant were to contact the DTC participants or hire an information agent to contact the DTC participants, the Applicant has been advised that these DTC participants generally could be expected not to share information about their customers. Finally, the Applicant notes that certain of the beneficial owners are institutions who file public reports listing their positions. Based on these reports, there are proprietary databases that compile this data (e.g., Bloomberg). However, such data is not current, nor does it represent the entire class of the beneficial owners. The Applicant reviewed a report from a proprietary database, which did not reveal any further data that was informative.

Public Markets for Applicant's Securities

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18. The Flextronics Shares are listed on NASDAQ. The Flextronics Shares are not, and have never been, listed on any Canadian stock exchange.
19. None of the Flextronics Debt Securities have been listed on any securities exchange.
20. The Debt Securities are not listed on a marketplace as defined in *National Instrument 21 – 101 – Marketplace Operation*.
21. The Applicant has no obligation under the trust indentures governing the Debt Securities (the “Indentures”) or any series of Debt Securities to ensure the creation or the maintenance of a marketplace for the Debt Securities anywhere in the world.

Applicant’s Reporting Obligations

22. The Indentures do not require the Applicant to remain a reporting issuer in the United States or in any other jurisdiction of Canada or foreign jurisdiction.
23. The Applicant is not under any obligation to file its documents on SEDAR under *National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR)*.
24. The Applicant is subject to and in compliance with securities legislation and reporting requirements in the United States, including the reporting requirements of the 1934 Act, as amended, and the listing requirements, policies and rules of NASDAQ.
25. The Applicant is a SEC Foreign Issuer, as defined in *National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (“NI 71-102”), and is eligible for the exemption for SEC foreign issuers in Part 4 of NI 71-102.
26. The Indenture for each of the Debt Securities (other than the Zero Coupon Notes) provides that the debt holders or the trustee receive such information as is filed or, in the case of the trust indentures governing the EAN7, EAJ6 and EAF4 Notes, required to be filed (assuming the Applicant were subject to the continuous disclosure requirements under the 1934 Act) with the SEC. The purchase agreement for the Zero Coupon Notes requires that the note holders be provided with financial information and other reports on the same basis as the holders of the EAF4 Notes.

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27. The Applicant has undertaken to the Decision Makers to continue to deliver all disclosure materials required by the 1934 Act to be delivered to security holders resident in the United States to its security holders in the Jurisdictions in the manner and at the time required by the 1934 Act.
28. On June 10, 2008, the Applicant issued a press release announcing that it had applied to the Decision Makers for an order that it is not a reporting issuer in the Jurisdictions in Canada.
29. On June 12, 2008, the Applicant filed a notice under section 4.9 of *National Instrument 51-102 – Continuous Disclosure Obligations*, under the SEDAR profile for Solectron Corporation, that indicates it has applied to the securities regulatory authorities in the Jurisdictions for a decision that it is not a reporting issuer in Canada.

Other:

30. The Applicant has not taken any steps in the past 12 months that indicate there is a market for its securities in Canada.
31. The Applicant has no intention of distributing its securities in any Jurisdiction in Canada through a public or private offering, other than in connection with compensation arrangements pursuant to exemptions from applicable prospectus and registration requirements.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Order is granted.

Louis Morisset
Superintendent – Securities Markets