

Avago Technologies LTD
Form PRE 14A
January 23, 2012
Table of Contents

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:

- | | | | |
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| <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 type="checkbox"/> | Definitive Proxy Statement | | |
| <input type="checkbox"/> | Definitive Additional Materials | | |
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AVAGO TECHNOLOGIES LIMITED

(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:

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

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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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.. 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.:

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Table of Contents

AVAGO TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number 200510713C)

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held on April 4, 2012

To our shareholders:

You are cordially invited to attend, and NOTICE IS HEREBY GIVEN of, the 2012 Annual General Meeting of Shareholders (the 2012 AGM) of Avago Technologies Limited (Avago or the Company), which will be held at the offices of Avago's principal U.S. subsidiary, Avago Technologies U.S. Inc., 350 West Trimble Road, San Jose, California 95131, U.S.A., at 11:00 a.m., Pacific Time, on Wednesday, April 4, 2012, for the following purposes:

As Ordinary Business

1. To elect each of the following directors to the board of directors (the Board):
 - (a) Mr. Hock E. Tan;
 - (b) Mr. Adam H. Clammer;
 - (c) Mr. John T. Dickson;
 - (d) Mr. James V. Diller;
 - (e) Mr. Kenneth Y. Hao;
 - (f) Mr. John M. Hsuan;
 - (g) Ms. Justine F. Lien; and
 - (h) Mr. Donald Macleod.

2. To approve the re-appointment of PricewaterhouseCoopers LLP to serve as the Company's independent registered public accounting firm and independent Singapore auditor for the fiscal year ending October 28, 2012, and to authorize the Audit Committee of the Board to fix PricewaterhouseCoopers LLP's remuneration for services provided through our 2013 Annual General Meeting of

Shareholders (the 2013 AGM).

As Special Business

3. To pass the following as an Ordinary Resolution:

RESOLVED THAT, approval be and is hereby given for the Company to provide the following cash compensation to directors for service on the Board and its committees during the period from April 4, 2012 through the date on which our 2013 AGM is held, and for each 12-month period thereafter:

(a) annual cash compensation of \$50,000 to each of our non-employee directors, other than the Chairperson of the Board, and cash compensation of \$80,000 to the independent Chairperson of the Board;

(b) additional annual cash compensation of \$25,000 to the chairperson of the Audit Committee, provided that such person is an independent director;

Table of Contents

(c) additional annual cash compensation of \$15,000 to the chairperson of the Compensation Committee, provided that such person is an independent director;

(d) additional annual cash compensation of \$12,500 to the chairperson of the Nominating and Corporate Governance Committee, provided that such person is an independent director;

(e) additional annual cash compensation of \$10,000 to each of our independent directors in respect of each of the foregoing committees of the Board on which they serve, other than service as chairperson of any such committee of the Board; and

(f) appropriate pro rata cash compensation, based on the annual cash compensation set forth in (a) to (e) above, as applicable, to any new non-employee director who is appointed by the Board, any independent director who is appointed to the position of Chairperson of the Board or chairperson of any such committee of the Board or any independent director who is appointed to serve on any such committee of the Board, in each case, after the date of our 2012 AGM, for their services rendered as directors and/or committee members for any period less than 12 months.

4. To pass the following as an Ordinary Resolution:

RESOLVED THAT, pursuant to the provisions of Section 161 of the Companies Act, Chapter 50 of Singapore (the Singapore Companies Act), and also subject to the provisions of that Act and our Articles of Association, authority be, and hereby is, given to our Board:

(a) to:

(i) allot and issue ordinary shares in our capital; and/or

(ii) make or grant offers, agreements, options or other instruments (including the grant of awards or options pursuant to our equity-based incentive plans in effect as at the date of this resolution) that might or would require ordinary shares to be allotted and issued, whether such allotment or issuance would occur during or after the expiration of this authority (including, but not limited to, the creation and issuance of warrants, rights, units, purchase contracts, debentures or other instruments (including debt instruments) convertible into ordinary shares),

at any time to and/or with such persons and upon such terms and conditions, for such purposes and for consideration as our directors may in their sole discretion deem fit, and with such rights or restrictions as our directors may think fit to impose and as are set forth in our Articles of Association; and

(b) to allot and issue ordinary shares in our capital pursuant to any offer, agreement, option or other agreement made, granted or authorized by our directors while this resolution was in effect, regardless of whether the authority conferred by this resolution may have ceased to be in effect at the time of the allotment and issuance,

and that such authority, if approved by our shareholders, shall continue in effect until the earlier of the conclusion of our 2013 AGM or the expiration of the period within which our 2013 AGM is required by law to be held.

5. To pass the following resolution as an Ordinary Resolution:

RESOLVED THAT, pursuant to the provisions of Sections 76C and 76E of the Singapore Companies Act and also subject to the provisions of that Act and our Articles of Association:

(a) authority be, and hereby is, given to our Board to cause to be purchased or otherwise acquired issued ordinary shares in the capital of the Company, not exceeding in aggregate the number of issued ordinary shares representing 10% (or such other higher percentage as the Minister may by notification prescribe pursuant to the Singapore Companies Act) of the total number of ordinary shares in the capital of the Company outstanding as of (x) March 30, 2011 (the date of our last Annual General

Table of Contents

Meeting of Shareholders) or (y) the date of the passing of this resolution, whichever is greater, at such price or prices as may be determined by our Board from time to time up to the maximum purchase price described in paragraph (c) below, by way of:

- (i) market purchases on the Nasdaq Global Select Market or any other stock exchange on which our ordinary shares may for the time being be listed and quoted; and/or
- (ii) off-market purchases (if effected other than on the Nasdaq Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted) in accordance with any equal access scheme(s) as may be determined or formulated by our Board as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Singapore Companies Act, and otherwise in accordance with all other laws as may for the time being be applicable, and the regulations and rules of the Nasdaq Global Select Market, or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted;

(b) unless varied or revoked by our shareholders in a general meeting, the authority conferred on our Board pursuant to the mandate contained in paragraph (a) above may be exercised by our Board at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:

- (i) the date on which our 2013 AGM is held; or
- (ii) the date by which our 2013 AGM is required by law to be held;

(c) the maximum purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which may be paid for an ordinary share purchased or acquired by us pursuant to the mandate contained in paragraph (a) above, shall not exceed:

- (i) in the case of a market purchase of ordinary shares, the highest independent bid per share or the last independent transaction price per share, whichever is higher, of our ordinary shares quoted or reported on the Nasdaq Global Select Market at the time the purchase is effected; and
- (ii) in the case of an off-market purchase pursuant to an equal access scheme, 150% of the Prior Day Close Price, and for the above purposes, the term Prior Day Close Price means the closing price per share of our ordinary shares as quoted on the Nasdaq Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may, for the time being, be listed and quoted on the day immediately preceding the date of the making of the offer pursuant to the off-market purchase. The date of the making of the offer refers to the date on which we announce our intention to make an offer for the purchase or acquisition of our ordinary shares from holders of our ordinary shares, stating therein the purchase price (which shall not be more than the maximum purchase price calculated on the foregoing basis) for each ordinary share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

(d) our directors and/or any of them be and are hereby authorized to complete and do, or cause to be completed or done, all such acts and things (including executing such documents as may be required) as one or more may consider expedient or necessary to give effect to the transactions contemplated and/or authorized by this resolution.

As Ordinary Business

6. To transact any other business as may properly be transacted at the 2012 AGM.

Table of Contents

Notes About the 2012 Annual General Meeting of Shareholders

Singapore Financial Statements. At the 2012 AGM, our shareholders will have the opportunity to discuss and ask questions regarding our Singapore audited accounts for the fiscal year ended October 30, 2011, together with the reports of the directors and auditors thereon, in compliance with the laws of Singapore. Shareholder approval of our audited accounts is not being sought by the proxy statement for the 2012 AGM (the Proxy Statement) and will not be sought at the 2012 AGM.

Proxy Materials on the Internet. We are pleased to take advantage of Securities and Exchange Commission (SEC) rules that allow issuers to furnish proxy materials to some or all of their shareholders on the Internet. In accordance with Singapore law, our registered shareholders (shareholders of record who own our ordinary shares in their own name through our transfer agent, Computershare Investor Services, LLP) will not be able to vote their shares over the Internet, but we will be providing this service to our beneficial holders (shareholders whose ordinary shares are held by a brokerage firm, a bank or other nominee). We believe these rules will allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our Annual General Meeting of Shareholders.

Eligibility to Vote at Annual General Meeting of Shareholders; Receipt of Notice. The Board has fixed the close of business on February 8, 2012, as the record date for determining those shareholders who will be entitled to receive copies of this notice and accompanying Proxy Statement or the Notice of Availability of Proxy Materials. However, only shareholders of record on April 4, 2012, will be entitled to vote at the 2012 AGM. If you have sold or transferred all of your ordinary shares of the Company, you should immediately forward this Proxy Statement and the accompanying proxy card to the purchaser or transferee, or to the bank, broker or agent through whom the sale was effected, for onward transmission to the purchaser or transferee.

Quorum. The attendance, in person or by proxy, of at least a majority of our outstanding ordinary shares at the 2012 AGM is required to constitute a quorum. Accordingly, it is important that your shares be represented at the 2012 AGM, either in person or by proxy.

Proxies. A registered shareholder, or shareholder of record, entitled to attend and vote at the 2012 AGM is entitled to appoint a proxy to attend the meeting and vote on his or her behalf. A proxy need not also be a shareholder. **Whether or not you plan to attend the meeting, please complete, date and sign the enclosed proxy card and return it in the enclosed envelope.** If not delivered in person at the 2012 AGM, a proxy card must be received by us c/o Proxy Services, c/o Computershare Investor Services LLC, P.O. Box 43101, Providence, RI 02940-5067, not less than 48 hours before the time appointed for holding the 2012 AGM. A shareholder of record may revoke his or her proxy at any time prior to the time it is voted. Shareholders of record who are present at the meeting may revoke their proxies and vote in person or, if they prefer, may abstain from voting in person and allow their proxies to be voted.

If you are a beneficial owner, you may vote by proxy over the Internet by following the instructions provided in the Notice of Internet Availability of Proxy Materials, or, if you requested printed copies of the proxy materials by mail, you may vote by mail.

Mandatory Disclosure Regarding Share Purchase Mandate Funds. Only funds legally available for purchasing or acquiring ordinary shares in accordance with our Articles of Association and applicable laws of Singapore will be used to repurchase our ordinary shares if Proposal 5 (renewal of our Share Purchase Mandate is approved). In the event that we elect to purchase or acquire any of our ordinary shares, depending on the number of ordinary shares repurchased or acquired and then current market, business and other relevant conditions, we may use our internal sources of funds and/or external borrowings to finance any such purchases or acquisitions. The amount of funds required for us to purchase or acquire our issued ordinary shares, and the impact on our financial position will depend on the number of ordinary shares we purchase or acquire and the price at which we make such purchases. Our directors do not propose to exercise the Share Purchase Mandate in

Table of Contents

a manner and to such an extent that would materially affect our working capital requirements and those of our subsidiaries.

**Important Notice Regarding the Internet Availability of Proxy Materials for the Annual Meeting of
Shareholders to be held on April 4, 2012:**

The notice of meeting, Proxy Statement and annual report to shareholders are available at

<http://phx.corporate-ir.net/phoenix.zhtml?c=203541&p=proxy>.

By Order of the Board,

Hock E. Tan

Director, Chief Executive Officer and President

February [], 2012

You should read the entire accompanying Proxy Statement carefully prior to voting.

Table of Contents

AVAGO TECHNOLOGIES LIMITED

PROXY STATEMENT

FOR

2012 ANNUAL GENERAL MEETING OF SHAREHOLDERS

TABLE OF CONTENTS

	Page
<u>ELECTRONIC DELIVERY OF OUR SHAREHOLDER COMMUNICATIONS</u>	i
<u>INTERNET AVAILABILITY OF PROXY MATERIALS</u>	i
<u>VOTING RIGHTS AND SOLICITATION OF PROXIES</u>	1
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	4
<u>CORPORATE GOVERNANCE</u>	8
<u>DIRECTORS' COMPENSATION</u>	14
<u>PROPOSAL 2: APPROVAL OF THE RE-APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND INDEPENDENT SINGAPORE AUDITOR FOR FISCAL YEAR 2012 AND AUTHORIZATION OF THE AUDIT COMMITTEE TO FIX ITS REMUNERATION</u>	17
<u>PROPOSAL 3: ORDINARY RESOLUTION TO APPROVE NON-EMPLOYEE DIRECTORS' CASH COMPENSATION</u>	19
<u>PROPOSAL 4: ORDINARY RESOLUTION TO AUTHORIZE ORDINARY SHARE ALLOTMENTS AND ISSUANCES</u>	20
<u>PROPOSAL 5: ORDINARY RESOLUTION TO RENEW THE SHARE PURCHASE MANDATE</u>	22
<u>EXECUTIVE OFFICERS</u>	26
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	27
<u>EXECUTIVE COMPENSATION</u>	40
<u>COMPENSATION COMMITTEE REPORT</u>	50
<u>AUDIT COMMITTEE REPORT</u>	51
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND EXECUTIVE OFFICERS</u>	52
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	55
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	58
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	58
<u>SHAREHOLDER PROPOSALS FOR THE 2013 ANNUAL GENERAL MEETING</u>	58
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	59
<u>OTHER MATTERS</u>	60
<u>INDEX TO SINGAPORE STATUTORY FINANCIAL STATEMENTS</u>	S-i

DRIVING DIRECTIONS

A-i

Table of Contents

ELECTRONIC DELIVERY OF OUR SHAREHOLDER COMMUNICATIONS

We strongly encourage our shareholders to conserve natural resources, as well as significantly reduce our printing and mailing costs, by **signing up to receive shareholder communications via e-mail**. With electronic delivery, we will notify you when our annual reports and proxy statements are available on the Internet. Electronic delivery can also help reduce the number of bulky documents in your personal files and eliminate duplicate mailings. To sign up for electronic delivery:

1. If you are a registered holder (i.e. you hold your Avago ordinary shares in your own name through our transfer agent, Computershare Investor Services), visit: www-us.computershare.com/investor/ to enroll.
2. If you are a beneficial holder (i.e. your shares are held by a broker, bank or other nominee), the voting instruction form provided by most banks or brokers will contain instructions for enrolling in electronic delivery.

Your electronic delivery enrollment will be effective until you cancel it. If you have questions about electronic delivery, please call our Investor Relations department at (408) 435-7400.

INTERNET AVAILABILITY OF PROXY MATERIALS

Important Notice Regarding the Internet Availability of Proxy Materials for the

Annual Meeting of Shareholders to be held on April 4, 2012:

The notice of meeting, proxy statement and annual report to shareholders are available at

<http://phx.corporate-ir.net/phoenix.zhtml?c=203541&p=proxy>.

Table of Contents

PROXY STATEMENT

for the

2012 ANNUAL GENERAL MEETING

of

SHAREHOLDERS

of

AVAGO TECHNOLOGIES LIMITED

To Be Held on Wednesday, April 4, 2012

11:00 a.m. (Pacific Time)

at the offices of Avago's principal U.S. subsidiary, Avago Technologies U.S. Inc.,

350 West Trimble Road, San Jose, California 95131, U.S.A.

We are making this Proxy Statement available in connection with the solicitation by the board of directors of Avago (the Board) of proxies to be voted at the 2012 Annual General Meeting of Shareholders (the 2012 AGM), or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders (the Notice). Unless the context otherwise requires, references in this Proxy Statement to Avago, the Company, we, our, us and similar terms are to Avago Technologies Limited.

Proxy Mailing. This Proxy Statement, the enclosed Proxy Card and the Notice were first made available on or about February [], 2012 to shareholders of record as of February 8, 2012.

Costs of Solicitation. We will bear the cost of soliciting proxies. We have retained Georgeson Inc., an independent proxy solicitation firm, to assist us in soliciting proxies for a fee of \$8,000 plus reimbursement of reasonable expenses. We and/or our agents, including certain of our officers, directors and employees, may solicit proxies by mail, telephone, e-mail, fax or in person. No additional compensation will be paid to our officers, directors or regular employees for such services. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses incurred by them in sending proxy materials to and soliciting proxies from beneficial holders of our ordinary shares.

Our Registered Office. The mailing address of our registered office is 1 Yishun Avenue 7, Singapore 768923. Please note, however, that any shareholder communications should be directed to the attention of our General Counsel at the offices of Avago Technologies U.S. Inc., 350 W. Trimble Road, Building 90, San Jose, California 95131, U.S.A.

Financial Statements; Presentation. In accordance with the laws of Singapore, our Singapore statutory financial statements are included with this Proxy Statement. Except as otherwise stated herein, all monetary amounts in this Proxy Statement have been presented in U.S. dollars.

VOTING RIGHTS AND SOLICITATION OF PROXIES

The close of business on February 8, 2012, is the record date for shareholders entitled to notice of the 2012 AGM. All of our ordinary shares issued and outstanding on April 4, 2012, are entitled to be voted at the 2012 AGM, and shareholders of record on April 4, 2012 will have one vote for each ordinary share so held on the matters to be voted upon. As of February [], 2012, we had [] ordinary shares issued and outstanding.

Proxies. Ordinary shares represented by proxies in the accompanying form, which are properly executed and received by us in accordance with the instructions set forth in the Notice, will be voted by the individuals named therein Hock E. Tan, Douglas R. Bettinger and Patricia H. McCall (together, the Proxy Holders) at the 2012 AGM in accordance with the shareholders' instructions set forth in the proxy. A proxy holder need not

also be a shareholder.

Table of Contents

If you sign and return your proxy but do not indicate how your shares are to be voted, then shares represented by proxies will be voted by the Proxy Holders in accordance with the Board's recommendations: FOR the election of the Board nominees named in Proposal 1; and FOR each of Proposals 2 to 5.

Management does not know of any matters to be presented at the 2012 AGM other than those set forth in this Proxy Statement and in the Notice accompanying this Proxy Statement, nor have we received notice of any matter by the deadline prescribed by Securities and Exchange Commission (SEC) Rule 14a-4(c). Without limiting our ability to apply the advance notice provisions in our Articles of Association with respect to the procedures that must be followed for a matter to be properly presented at an annual general meeting, if other matters should properly come before the 2012 AGM, the Proxy Holders will vote on such matters in accordance with their best judgment.

Any shareholder of record entitled to attend and vote at the 2012 AGM, has the right to revoke his or her proxy at any time prior to voting at the 2012 AGM by (i) submitting a subsequently dated proxy, which, if not delivered in person at the meeting, must be received by us c/o Proxy Services, c/o Computershare Investor Services LLC, P.O. Box 43101, Providence, RI 02940-5067, no later than 48 hours before the appointed time of the meeting, or (ii) by attending the meeting and voting in person.

If your ordinary shares are held in street name through a broker, bank, or other nominee, you have the right to instruct your broker, bank or other nominee on how to vote the shares in your account. Your broker, bank or nominee will send you a voting instruction form for you to use to direct how your shares should be voted. If you wish to change or revoke your voting instructions, you will need to contact the registered holder of your ordinary shares and follow their instructions. If you are not the shareholder of record, you may not vote your shares in person at the 2012 AGM unless you obtain a legal proxy from the broker, bank or other nominee that holds your shares, giving you the right to vote the shares instead of the broker, bank or other nominee holding your shares. If your shares are held in the name of a broker, trust, bank or other nominee, in order to be admitted to the 2012 AGM you will also need to bring a letter or recent account statement from that broker, bank or other nominee that confirms that you are the beneficial owner of those shares, as well as a picture identification, such as a valid driver's license or passport, for purposes of personal identification.

Quorum. Representation at the 2012 AGM, in person or by proxy, of at least a majority of all issued and outstanding ordinary shares is required to constitute a quorum.

Abstentions and Broker Non-Votes. Abstentions and broker non-votes are considered present and entitled to vote at the 2012 AGM, for the purpose of determining whether a quorum is present. A broker non-vote occurs when a bank, broker or other nominee holding shares on behalf of a beneficial owner may not vote ordinary shares held by it because it (1) has not received voting instructions from the beneficial owner of those shares and (2) lacks discretionary voting power to vote those shares. Under our Articles of Association, for a proposal being voted on as an ordinary resolution, abstentions will have the same effect as a vote against the proposal. A broker non-vote is treated as not being entitled to vote on the relevant proposal and is not counted for purposes of determining whether a proposal has been approved.

If you are a beneficial owner, your bank, broker or other nominee is entitled to vote your shares on routine matters, even if it does not receive voting instructions from you. Routine matters include all of the proposals to be voted on at the 2012 AGM, other than Proposal 1 (the election of directors).

Required Vote. With respect to Proposal 1 (the election of directors), nominees receiving the highest number of affirmative votes of the ordinary shares present in person or represented by proxy at the 2012 AGM and entitled to vote shall be elected, provided that such number of affirmative votes shall not be less than at least a majority of the ordinary shares held by the shareholders present in person or represented by proxy at the 2012 AGM and entitled to vote on the proposal.

Table of Contents

The affirmative vote of shareholders holding at least a majority of the ordinary shares held by the shareholders present in person or represented by proxy at the 2012 AGM and entitled to vote is required to approve Proposal 2 (the re-appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm and independent Singapore auditor), to approve the ordinary resolutions contained in Proposals 3 (directors' compensation), 4 (authorization of ordinary share allotments and issuances) and 5 (renewal of the share purchase mandate).

Voting Procedures and Tabulation. We have appointed a representative of Computershare Investor Services LLC as the inspector of elections to act at the 2012 AGM and to make a written report thereof. Prior to the 2012 AGM, the inspector will sign an oath to perform his or her duties in an impartial manner and according to the best of his or her ability. The inspector will ascertain the number of ordinary shares outstanding and the voting power of each, determine the ordinary shares represented at the 2012 AGM and the validity of proxies and ballots, count all votes and ballots, and perform certain other duties. The determination of the inspector as to the validity of proxies will be final and binding.

Table of Contents

PROPOSAL 1:

ELECTION OF DIRECTORS

General

Pursuant to the Companies Act, Chapter 50 of Singapore (the Singapore Companies Act) and our Articles of Association, our Board must have at least one director who is ordinarily resident in Singapore. Pursuant to our Articles of Association, our Board may consist of no more than 13 directors. Our Board currently consists of eight members and each of our directors is elected annually.

Director Nominees

Directors are elected at each annual general meeting of shareholders and hold office until their successors are duly elected or qualified. Upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated the seven individuals below for election as directors, each of whom is currently a director of the Company. The Board expects that each of the nominees listed below will be available to serve as a director. Shareholders may not vote their proxies for a greater number of persons than the number of nominees named below.

In considering whether the director nominees have the experience, qualifications, attributes and skills, taken as a whole, to serve as directors of the Company, in light of the Company's business and structure, the Nominating and Corporate Governance Committee and the Board focused primarily on the information discussed in each of the director nominee's biographical information set forth below. The Board believes that each nominee has relevant experience, personal and professional integrity, the ability to make independent, analytical inquiries, experience with and understanding of our business and business environment and willingness and ability to devote adequate time to Board duties. We also believe that our directors together have the skills and experience to form a board that is well suited to oversee the Company.

The following table sets forth certain information concerning the nominees for directors of the Company as of February [], 2012.

Hock E. Tan

Age 60

President, Chief Executive Officer
Director since March 2006

Mr. Tan has served as our President, Chief Executive Officer and a director since March 2006. From September 2005 to January 2008, he served as chairman of the board of directors of Integrated Device Technology, Inc. (IDT). Prior to becoming chairman of IDT, Mr. Tan was the President and Chief Executive Officer of Integrated Circuit Systems, Inc. (ICS), from June 1999 to September 2005. Prior to ICS, Mr. Tan was Vice President of Finance with Commodore International, Ltd. from 1992 to 1994, and previously held senior management positions with PepsiCo, Inc. and General Motors Corporation. Mr. Tan served as managing director of Pacven Investment, Ltd., a venture capital fund in Singapore from 1988 to 1992, and served as managing director for Hume Industries Ltd. in Malaysia from 1983 to 1988. Mr. Tan's qualifications to serve on the Board include his role as the Chief Executive Officer of the Company, his extensive career in the technology industry in general and in the semiconductor industry in particular, including service as the chairman of the board of directors of a publicly-traded semiconductor company, and his extensive knowledge of the Company's business developed over the course of his career at Avago.

Adam H. Clammer

Age 41

Director since

September 2005

Since October 2009, Mr. Clammer has been a Member of KKR Management L.L.C., which is the general partner of KKR & Co. L.P. From January 2006 to September 2009, he was a Member of KKR & Co. L.L.C., which during that time was the general partner of Kohlberg Kravis Roberts & Co. L.P. Mr. Clammer was a Director of Kohlberg Kravis Roberts & Co. L.P. from December 2003 to December 2005.

Table of Contents

Prior to that he was a Principal of Kohlberg Kravis Roberts & Co. L.P. between 1998 and 2003, having begun his career at Kohlberg Kravis Roberts & Co. in 1995. From 1992 to 1995, Mr. Clammer was in the Mergers and Acquisitions Department at Morgan Stanley & Co. Mr. Clammer previously served as a director of Medcath Corporation from May 2002 to April 2008, of Jazz Pharmaceuticals, Inc. from February 2004 to October 2007, of NXP B.V. most recently from January 2009 to February 2010 and of Eastman Kodak Company from September 2009 to December 2011. Mr. Clammer was initially nominated and elected to the Board as a KKR nominee pursuant to our Shareholder Agreement. Mr. Clammer's qualifications to serve on our Board include his expertise in corporate finance, mergers and acquisitions, strategic business planning activities, risk management and corporate governance gained through the various positions he has held, including serving as a director of other public and private companies, and his background in private equity.

James V. Diller

Age 76

Director since

April 2006

Mr. Diller was a founder of PMC-Sierra, Inc., serving as PMC's Chief Executive Officer from 1983 to July 1997 and President from 1983 to July 1993. Mr. Diller has been a director of PMC since its formation in 1983. Mr. Diller was Chairman of PMC's board of directors from July 1993 until February 2000, when he became Vice Chairman. Mr. Diller also serves as a director of Intersil Corporation. Mr. Diller's qualifications to serve on the Board include his more than 50 years of experience in semiconductor company management and oversight in positions such as Chief Executive Officer, President and General Manager and chairman of the board of directors, and his experience as a product development engineer.

John T. Dickson

Age 65

Director since

January 2012

Mr. Dickson served as Executive Vice President and head of Operations of Alcatel-Lucent from May 2010 to January 2012. Mr. Dickson is the former President and Chief Executive Officer of Agere Systems, Inc., a position he held from August 2000 to October 2005. Prior to joining Agere, Mr. Dickson held positions as the Executive Vice President and Chief Executive Officer of Lucent's Microelectronics and Communications Technologies Group; Vice President of AT&T Corporation's integrated circuit business unit; and Chairman and Chief Executive Officer of SHOgraphics, Inc, as well as senior roles with ICL, plc, and Texas Instruments, Inc. Mr. Dickson also serves as a director of KLA-Tencor Corporation. Within the past five fiscal years, he has served on the board of directors of National Semiconductor Corporation (April 2006 to September 2010) and Mettler-Toledo International Inc. (March 2001 to April 2009). Mr. Dickson's qualifications to serve on the Board include his extensive experience in senior management and executive positions in the technology industry, both in Europe and the United States, and his experience as a director of other public and private companies.

Kenneth Y. Hao

Age 43

Director since

September 2005

Mr. Hao is a Managing Director of Silver Lake. Prior to joining Silver Lake in 2000, Mr. Hao was an investment banker with Hambrecht & Quist for 10 years, most recently serving as a Managing Director in the Technology Investment Banking group. Mr. Hao previously served as a director of NetScout Systems, Inc. from November 2007 until September 2008. Mr. Hao was initially nominated and elected to the Board as a Silver Lake nominee pursuant to our Shareholder Agreement. Mr. Hao has spent his career investing in and advising technology companies. Mr. Hao's qualifications to serve on our Board include his depth of experience in financial and investment matters and his familiarity with a broad range of companies in technology industries.

Table of Contents**John Min-Chih Hsuan**

Age 59

Director since

February 2011

Mr. Hsuan's career has spanned over 30-year career in the semiconductor industry. He spent over 20 years with United Microelectronics Corporation, and served as its President and Chief Executive Officer, and as Chairman of its board of directors, from 1991 until 2003, and as Vice Chairman of its board of directors from 2003 to 2005. Mr. Hsuan also serves on the boards of directors of a number of publicly-traded semiconductor and technology companies in Taiwan and in Canada, and currently serves as the Emeritus Vice Chairman of United Microelectronic Corporation. Mr. Hsuan holds a Bachelor's Degree in Electronic Engineering and an Honorary Ph.D. Degree from National Chiao Tung University in Taiwan, and has been awarded a substantial number of patents in the United States and Taiwan. Mr. Hsuan's qualifications to serve on the Board include his extensive semiconductor industry background and senior management experience, including global operations management and strategy, as well as his technical engineering expertise.

Justine F. Lien

Age 49

Director since

June 2008

Ms. Lien served as the Chief Financial Officer, Vice President of Finance, Treasurer, and Secretary of Integrated Circuit Systems, Inc., or ICS, after the company's recapitalization on May 11, 1999 and served in these capacities through September 2005 when ICS merged with Integrated Device Technologies, Inc., following which Ms. Lien retired. She joined ICS in 1993 holding titles including Director of Finance and Administration and Assistant Treasurer. Ms. Lien served as a director of Techwell, Inc. from January 2006 until July 2010, where she also served as the chairperson of the audit committee. Ms. Lien holds a B.A. degree in accounting from Immaculata College and an M.T. degree in taxation from Villanova University, and is a certified management accountant. Ms. Lien's qualifications to serve on the Board include her career in senior financial management positions with, and on the board of directors of, semiconductor companies, and her education and training as an accounting professional.

Donald Macleod

Age 63

Director since

November 2007

Mr. Macleod joined National Semiconductor Corporation in February 1978 and served as its President and Chief Executive Officer from November 2009 to September 2011, when National Semiconductor Corporation was acquired by Texas Instruments Incorporated. He served as National Semiconductor Corporation's President and Chief Operating Officer from the beginning of 2005 until November 2009, and before that he held various other executive and senior management positions at the company including Executive Vice President and Chief Operating Officer and Executive Vice President, Finance and Chief Financial Officer. Mr. Macleod also served as the Chairman of the board of directors of National Semiconductor Corporation from May 2010 to September 2011. Mr. Macleod's qualifications to serve on the Board include his more than 30 years of experience in senior management and executive positions in the semiconductor industry, both in Europe and in the United States, and his accounting and finance qualifications and experience.

We are party to a Second Amended and Restated Shareholder Agreement (the "Shareholder Agreement"), dated as of August 11, 2009, as amended on December 20, 2011 and January 20, 2012, with investment funds affiliated with Kohlberg Kravis Roberts & Co. (KKR), investment funds affiliated with Silver Lake Partners (Silver Lake), and together with KKR, the Sponsors), Seletar Investments Pte Ltd (Seletar) Geyser Investment Pte. Ltd. (Geyser) and certain other persons, (collectively with the Sponsors referred to as the Equity Investors). Mr. Clammer and Mr. Hao were originally appointed to serve as members of our Board as the designees of KKR and Silver Lake, respectively, each of which, under the Shareholder Agreement, had the right to designate one member of the Board as long as they held at least 5.0% of our outstanding ordinary shares. As of October 3, 2011, each of KKR and Silver Lake ceased to own 5.0% of our outstanding ordinary shares and ceased to have the right to designate a director to our Board. Mr. Hsuan was appointed to the Board in accordance with the procedures of the Nominating and Corporate Governance Committee and in accordance with the Shareholder Agreement.

Table of Contents

Mr. Hsuan is our Singapore resident director. Due to the Singapore Companies Act requirement that we have at least one director who is ordinarily resident in Singapore in office at all times, in the event that Mr. Hsuan is not re-elected at the 2012 AGM, he will continue in office after the 2012 AGM as a member of the Board until his qualifying successor (i.e. a Singapore resident director) is appointed.

In the event that a director resigns from the Board or otherwise becomes unwilling or unable to serve after the mailing of this Proxy Statement but before the 2012 AGM, our intention would be to make a public announcement of such resignation and either leave such Board seat vacant or appoint a substitute nominee. If such Board seat were left vacant, this would reduce the number of director nominees to be elected at the 2012 AGM. Votes received in respect of such director would not be counted in such circumstances. In the event that we instead propose to elect a different director nominee at the 2012 AGM to fill any such vacancy, it is intended that the shares represented by the proxy will be voted for such substitute nominee as may be designated by the Board.

There are no family relationships between any of our directors or executive officers.

The Board recommends a vote FOR the election of each of the director nominees listed above to the Board.

Table of Contents

CORPORATE GOVERNANCE

Board of Directors

Our Articles of Association give our Board general powers to manage our business. The Board oversees and provides policy guidance on our strategic and business planning processes, oversees the conduct of our business by senior management and is principally responsible for the succession planning for our key executives, including our President and Chief Executive Officer.

Our Board held a total of five meetings during the fiscal year ended October 30, 2011 (Fiscal Year 2011). During Fiscal Year 2011, all directors attended at least 75% of the aggregate of the total number of meetings of our Board together with the total number of meetings held by all committees of our Board on which he or she served, counting only those meetings during which such person was a member of our Board and of the respective committee. All committee members attended over 75% of the total number of meetings held by the committees of our Board on which they served, counting only those meetings during which such persons were members of the respective committee. Our non-employee directors and our independent directors meet at regularly scheduled executive sessions without management participation.

Our Board has adopted a policy that encourages each director to attend the annual general meeting of our shareholders, but attendance is not required. All but one of our directors attended our 2011 Annual General Meeting of Shareholders. Mr. Hsuan was unable to attend.

Director Independence

Our Board has undertaken a review of the independence of each director and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. The Board has made the determination that transactions or relationships between the Company and an entity where a director of the Company serves as a non-employee director and/or is the beneficial owner, directly or indirectly of less than 10% of such entity, or where a director of the Company serves on a non-employee advisory board of, or in a non-employee advisory capacity to, such an entity are presumed immaterial for the purposes of assessing a director's independence. In reviewing Mr. Dickson's independence, the Board considered that (i) from May 2010 to January 2012 Mr. Dickson was an executive officer of Alcatel-Lucent, with which the Company does business, on an arms-length basis, (ii) payments that the Company made to, or received from, Alcatel-Lucent during each of their last three respective fiscal years were less than 1% of either company's respective consolidated net revenues for such years and (iii) Mr. Dickson owns less than 1% of the outstanding shares of Alcatel-Lucent. As a result of its review, our Board determined that Messrs. Diller, Dickson, Hsuan and Macleod and Ms. Lien, representing five of our eight directors nominated for election, are independent directors as defined under the applicable rules and regulations of the SEC and the Nasdaq Stock Market.

Director Retirement Age

Under Sections 153(2) and (6) of the Singapore Companies Act, the office of a director of a public company becomes vacant at the conclusion of the annual general meeting of shareholders first held after such director attains the age of 70 years, and any re-appointment of such director must be approved by our shareholders by ordinary resolution.

Directors With Significant Job Change

In June 2011, the Board adopted a policy that requires any director who retires from his or her present employment, or who materially changes his or her position, to submit an offer of resignation as a director to the Board. The Board will then evaluate whether the individual should continue to sit on the Board in light of his or her new occupational status and decide whether or not to accept the director's offer of resignation. In accordance

Table of Contents

with this policy, in connection with the acquisition by Texas Instruments of National Semiconductor Corporation, of which Mr. Macleod was President and Chief Executive Officer, Mr. Macleod submitted his offer of resignation from the Board. In light of Mr. Macleod's extensive experience in the semiconductor industry and his valuable contributions to the Board, the Board declined to accept his offer of resignation.

Board Leadership Structure and Role in Risk Management

The Board believes that at the present time Avago and its shareholders are best served by a Board leadership structure in which the roles of the Chief Executive Officer and the Chairman of the Board are served by different individuals. Under this structure our Chief Executive Officer is generally responsible for setting the strategic direction of the Company and for the day-to-day leadership of the Company's operations. The Chairman provides strong independent leadership to assist the Board in fulfilling its role of overseeing the management of Avago and its risk management practices, sets the agenda for meetings of the Board and presides over Board meetings and over the meetings of our non-management and independent directors in executive session. Currently, Mr. Hock E. Tan serves as our President and Chief Executive Officer and Mr. Diller, an independent director, serves as Chairman of our Board.

The Board is responsible for overseeing the management of risks facing the Company, both as a whole and through its committees. The Board regularly reviews and discusses with management information regarding our operations, liquidity and credit, as well as the risks associated with each. The Audit Committee reviews and discusses with management significant financial, legal and regulatory risks and the steps management takes to monitor, control and report such exposures. It also oversees the Company's periodic enterprise-wide risk evaluations conducted by management. The Compensation Committee oversees management of risks relating to the Company's compensation plans and programs for executives and employees in general. The Nominating and Corporate Governance Committee oversees management of risks associated with Board governance, director independence and conflicts of interest. Additional details regarding the responsibilities of each of these committees is discussed in more detail below, under the heading "Board Committees". The committees report regularly to the Board on matters relating to the specific areas of risk the committees oversee. Members of management periodically report on the Company's risk management policies and practices to the relevant Board committees and to the full Board.

Board Committees

Our Board has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The table below provides the current membership for each of the committees and the number of meetings held by each committee during Fiscal Year 2011.

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
James V. Diller	X	X	
John T. Dickson*		X	X
John Hsuan**			X
Justine F. Lien	X(C)		X(C)
Donald Macleod	X	X(C)	
Number of meetings in Fiscal Year 2011	8	5	6

(C) Denotes the Chairperson of the committee.

* Mr. Dickson joined the Board on January 18, 2012.

** Mr. Hsuan joined the Board on February 14, 2011.

The functions performed by these committees, which are set forth in more detail in their respective charters, are summarized below. The charters of the Audit Committee, the Compensation Committee and the Nominating

Table of Contents

and Corporate Governance Committee are available in the Investors Governance section of our website (<http://phx.corporate-ir.net/phoenix.zhtml?c=203541&p=irol-govHighlights>). Shareholders may also request a copy in print from: Investor Relations, c/o Avago Technologies U.S. Inc., 350 West Trimble Road, Building 90, San Jose, CA 95131, U.S.A.

Audit Committee

The Audit Committee is currently comprised of Ms. Lien and Messrs. Diller and Macleod. The Audit Committee is responsible for assisting our Board with its oversight responsibilities regarding the following:

the quality and integrity of our financial statements and internal controls;

the appointment, compensation, retention, qualifications and independence of our independent registered public accounting firm;

the performance of our internal audit function and independent registered public accounting firm;

our compliance with legal and regulatory requirements; and

related party transactions.

The members of our Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq Stock Market. Our Board has determined that Mr. Macleod is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the Nasdaq Stock Market. Ms. Lien and Messrs. Diller and Macleod are independent directors as defined under the applicable rules and regulations of the SEC and the Nasdaq Stock Market. The Audit Committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Stock Market.

Compensation Committee

The Compensation Committee is currently comprised of Messrs. Macleod, Dickson and Diller. The Compensation Committee is responsible for determining our executives' base compensation and incentive compensation, including designing (in consultation with management or the Board) and recommending to the Board for approval and evaluating, our compensation plans, policies and programs, administering our stock option and other equity based plans and approving the terms of equity-based grants pursuant to those plans. The Compensation Committee has the full authority to determine and approve the compensation of our chief executive officer in light of relevant corporate performance goals and objectives. Messrs. Macleod, Dickson and Diller are independent directors as defined under the applicable rules and regulations of the SEC and the Nasdaq Stock Market. The Compensation Committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Stock Market.

In the Compensation Committee has retained Compensia, Inc. (Compensia) as its compensation consultant to advise the committee on executives' and directors' compensation. Compensia has not provided and does not provide any other services to the Company other than de minimis ministerial data processing services.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is currently comprised of Ms. Lien and Messrs. Dickson and Hsuan. The Nominating and Corporate Governance Committee is responsible for identifying qualified candidates to become directors, recommending to the Board candidates for all directorships, overseeing the annual evaluation of the Board and its committees and taking a leadership role in shaping the corporate governance of the Company. Ms. Lien and Messrs. Dickson and Hsuan are independent directors as defined under the applicable rules and regulations of the SEC and the Nasdaq Stock Market. The Nominating and Corporate Governance Committee operates under a written charter that satisfies the applicable standards of the SEC and the Nasdaq Stock Market.

Table of Contents

The Nominating and Corporate Governance Committee will consider candidates for director who are recommended by its members, by other Board members and members of our management, as well as those identified by any third-party search firms retained by it to assist in identifying and evaluating possible candidates. The Nominating and Corporate Governance Committee will also consider recommendations for director candidates submitted by our shareholders if they meet the specific criteria set forth under Shareholder Nominations to our Board of Directors below. The Nominating and Corporate Governance Committee will evaluate and recommend to the Board qualified candidates for election, re-election or appointment to the Board, as applicable.

When evaluating director candidates, the Nominating and Corporate Governance seeks to ensure that the Board has the requisite skills, experience and expertise and that its members consist of persons with appropriately diverse and independent backgrounds. The Nominating and Corporate Governance Committee will consider all aspects of a candidate's qualifications in the context of the needs of the Company, including: personal and professional integrity, ethics and values; experience and expertise as an officer in corporate management; experience in the Company's industry and international business and familiarity with the Company; experience as a board member of another publicly traded company; practical and mature business judgment; the extent to which a candidate would fill a present need on the Board; and the other ongoing commitments and obligations of the candidate. However, the Nominating and Corporate Governance Committee does not have any minimum criteria for director candidates. Consideration of new director candidates will typically involve a series of internal discussions, review of information concerning candidates and interviews with selected candidates. Mr. Dickson was first suggested as a prospective Board candidate by a non-management director of the Company and Mr. Dickson was then evaluated by the Nominating and Corporate Governance Committee according to its practice described above.

Shareholder Communications With Our Board

Shareholders may communicate with our Board at the following address:

The Board of Directors

Avago Technologies Limited

c/o General Counsel

Avago Technologies U.S. Inc.

350 West Trimble Road, Building 90

San Jose, CA 95131

U.S.A.

Communications are distributed to the Board or to any individual director, as appropriate, depending on the facts and circumstances outlined in the communication. Communications that are unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is excluded will be made available to any non-employee director upon request.

Shareholder Nominations to Our Board of Directors

Under our Articles of Association, no person other than a director retiring at a general meeting is eligible for appointment as a director at any general meeting of shareholders, without the recommendation of the Board for election, unless (a) in the case of a member or members who in aggregate hold(s) more than 50% of the total number of our issued and paid-up shares (excluding treasury shares), not less than 10 days, or (b) in the case of a member or members who in aggregate hold(s) more than five percent of the total number of our issued and paid-up shares (excluding treasury shares), not less than 120 days, before the date of the notice provided to members in connection with the general meeting, a written notice signed by such member or members (other than the person to be proposed for appointment) who (i) are qualified to attend and vote at the meeting for which such notice is given, and (ii) have held shares representing the prescribed threshold in (a) or (b) above, for a continuous period of at least one year prior to the date on which such notice is given, is lodged at our registered office in Singapore. Such a notice must also include the consent to serve as a director of the person nominated.

Table of Contents

Shareholders can recommend qualified candidates for our Board to the Board by submitting recommendations to our General Counsel, c/o Avago Technologies U.S. Inc., 350 West Trimble Road, Building 90, San Jose, CA 95131, U.S.A. Submissions that include the following requirements will be forwarded to the Board for review and consideration:

the candidate's name and business address;

a resume or curriculum vitae describing the candidate's qualifications, which clearly indicates that he or she has the necessary experiences, skills, and qualifications to serve as a director;

a statement as to whether or not, during the past ten years, the candidate has been convicted in a criminal proceeding (excluding minor traffic violations) and, if so, the dates, the nature of the conviction, the name or other disposition of the case, and whether the individual has been involved in any other legal proceeding during the past ten years;

a statement from the candidate that he or she consents to serve on the Board if elected; and

a statement from the person submitting the candidate that he or she is the registered holder of ordinary shares, or if the shareholder is not the registered holder, a written statement from the record holder of the ordinary shares (usually a broker or bank) verifying that at the time the shareholder submitted the candidate that he or she was a beneficial owner of ordinary shares.

Qualified director candidates suggested by shareholders will be evaluated in the same manner as any other candidate for election to the Board (other than those standing for re-election).

Code of Ethics and Business Conduct

Our Board has adopted a Code of Ethics and Business Conduct that is applicable to all members of the Board, executive officers and employees, including our chief executive officer, chief financial officer and principal accounting officer. The Code of Ethics and Business Conduct is available in the Investors Governance section of our website (<http://phx.corporate-ir.net/phoenix.zhtml?c=203541&p=irol-govHighlights>) under

Code of Ethics and Business Conduct. Shareholders may also request a copy in print from: Investor Relations, c/o Avago Technologies U.S. Inc., 350 West Trimble Road, Building 90, San Jose, CA 95131, U.S.A.

Compensation Committee Interlocks and Insider Participation

The current members of our Compensation Committee, Messrs. Macleod, Dickson and Diller (and Mr. James A. Davidson, who served on our Compensation Committee prior to his resignation from our Board in March 2010 and Mr. Clammer, who served on our Compensation Committee until December 2011) are not, and have never been, officers or employees of our company. During Fiscal Year 2011, none of our executive officers served on the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of our Board or our Compensation Committee. Messrs. Davidson and Clammer are affiliated with Silver Lake and KKR, respectively, and were initially designated by Silver Lake and KKR, respectively, to serve on our Compensation Committee. In addition, we have entered into certain arrangements with Silver Lake and KKR. Please see Certain Relationships and Related Party Transactions starting on page 55 for more information regarding these arrangements.

Risk Assessment and Compensation Practices

Our management has reviewed the Company's compensation policies and practices for our employees as they relate to our risk management and reported its findings to the Compensation Committee. Management has concluded that our compensation policies and practices (described in more detail under Compensation Discussion and Analysis and Executive Compensation below) balance short and long-term goals and awards, as well as the mix of the cash and equity components. Based upon this review, we believe the elements of our compensation programs do not encourage unnecessary or excessive risk-taking, and are not reasonably likely to have a material adverse effect on the Company in the future.

Table of Contents

This Proxy Statement, including the preceding paragraph, contains forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events. Forward-looking statements contained in this Proxy Statement should be considered in light of the many uncertainties that affect our business and specifically those factors discussed from time to time in our public reports filed with the SEC, such as those discussed under the heading, "Risk Factors," in our Annual Report on Form 10-K for Fiscal Year 2011 (the 2011 Form 10-K), and as may be updated in subsequent SEC filings.

Director Share Ownership Guidelines

At the recommendation of the Compensation Committee, our Board implemented share ownership guidelines for non-employee directors, effective January 2011. The ownership guidelines encourage our non-employees directors to hold a minimum of 7,500 of our ordinary shares or such number of shares having a fair market value equal to three times the annual cash retainer paid to non-employee directors for service on our Board (which would currently amount to \$150,000), whichever is less. The guidelines encourage our non-employee directors to reach this goal within five years of the date the Board approved the guidelines or the date of their appointment or election to our Board, whichever is later, and to hold at least such minimum value in shares for as long as he or she serves on our Board.

Table of Contents**DIRECTORS COMPENSATION**

Under the laws of Singapore, our shareholders must approve all cash compensation paid to our non-employee directors. We do not compensate our management directors for their service on the Board or any committee of the Board.

Non-Employee Directors Compensation

Our shareholders approved the current cash compensation arrangements for our non-employee directors (which are those directors not employed by us or any subsidiary) at our 2011 Annual General Meeting of Shareholders. We currently compensate our non-employee directors and independent, non-employee directors as follows, payable quarterly:

	Current Annual Fees	
	Non-Employee Directors	Independent Non-Employee Directors
Board membership (other than Chairperson of the Board)	\$ 50,000	\$ 50,000
Chairperson of the Board		\$ 80,000
Committee membership (other than committee chairperson)		\$ 10,000
Chairperson of the Audit Committee		\$ 25,000
Chairperson of the Compensation Committee		\$ 15,000
Chairperson of the Nominating and Corporate Governance Committee		\$ 12,500

Prior to the 2011 Annual General Meeting of Shareholders, our non-employee directors, other than the Chairman of the Board, each received an annual retainer of \$50,000 per year and the Chairman of the Board received an annual retainer of \$75,000 per year. In addition, the Chairperson of the Audit Committee received an annual fee of \$25,000 per year and each independent, non-employee director serving on a committee (other than the Chairperson of the Audit Committee) received an annual fee of \$10,000.

Our non-employee directors also receive certain equity awards in consideration for their service on our Board, as set forth in more detail below. Prior to our initial public offering (IPO) on August 6, 2009, option grants were made to our directors under the Amended and Restated Equity Incentive Plan for Senior Management Employees of Avago Technologies Limited and Subsidiaries (the Senior Management Plan). Following our IPO, option grants to our directors are made under the Avago Technologies Limited 2009 Equity Incentive Award Plan (the 2009 Plan). Non-employee directors are also reimbursed for travel and other out-of-pocket expenses related to their attendance at Board and committee meetings. Non-employee directors do not receive any non-equity incentive compensation, or participate in any pension plan or deferred compensation plan.

Prior to January 2011, our non-employee directors received a grant of options to purchase 50,000 ordinary shares upon their election to the Board, which generally vested in five equal installments over approximately five years.

In November 2010, our Compensation Committee conducted a comprehensive review of our non-employee director compensation program, assisted by Compensia, the committee's compensation consultant, to ascertain whether our non-employee directors' compensation was competitive with that of our established peer group of companies. This peer group is discussed below under the heading Compensation Discussion and Analysis. As a result of that review, and on the Compensation Committee's recommendation, our Board approved the following equity compensation for our non-employee directors, effective January 2011.

Upon appointment to the Board, each new non-employee director shall receive an initial equity grant with a notional target fair market value of \$350,000 on the date of grant, comprised 50% of stock

Table of Contents

options and 50% of restricted share units (RSUs), with such awards vesting one-third annually over three years (an Initial Award), subject to the director's continued service on the Board.

Commencing in the fourth year of service, each non-employee director shall receive an annual equity grant with a notional target fair market value of \$100,000 on the date of grant, comprised 50% of stock options and 50% of RSUs, to be granted on the date of each Annual General Meeting of Shareholders occurring in and after the director's fourth year of service, subject to the director's re-election at such meeting (Annual Award). Such Annual Awards vest in full one year from the date of grant, subject to the director's continued service on the Board.

In September 2011, following a further review of non-employee directors' compensation by the Compensation Committee, assisted by Compensia, the Board approved an increase in the notional target value of the Initial Awards and the Annual Awards to \$450,000 and \$150,000, respectively. In addition, non-employee directors may elect to receive an Annual Award either 100% in stock options or 50% in stock options and 50% in RSUs (a Split Annual Award).

To determine the number of shares to be awarded to a non-employee director pursuant to such grants, the notional target fair market value of the grant (\$450,000 or \$150,000 depending on whether it is an Initial Award or an Annual Award) is divided by the Black Scholes value of an ordinary share (calculated using the average of the closing market prices, as quoted on the Nasdaq Global Select Market, over the 30 calendar days immediately preceding the date of grant) (the Notional Share Amount). For Initial Awards and for Split Annual Awards, half of this Notional Share Amount represents the number of shares that will be issued pursuant to options. The remaining half of the Notional Share Amount is then divided by three to determine the number of RSUs that will be granted. Due, primarily, to the fact that the ratio of the fair market value of an RSU to the Black Scholes value of an option share is not always three to one, the actual aggregate grant date fair market value of an Initial Award or a Split Annual Award may be greater or lesser than the notional fair value of the award at the time of grant. For an Annual Award consisting solely of stock options, the Notional Share Amount represents the number of shares that will be issued pursuant to options.

The exercise price per share of non-employee director's options is equal to the fair market value of an ordinary share on the grant date, and a director's options expire five years from the date of grant (or earlier if the optionee ceases to be a director). RSUs do not have an exercise price associated with them.

Directors' Compensation for Fiscal Year 2011

The following table sets forth information regarding compensation earned by our non-employee directors during Fiscal Year 2011.

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards (\$)(1)	Dividends(2)	Total
Adam H. Clammer	\$ 50,000	\$ 75,419	\$ 50,202	\$ 14,000	\$ 189,620
James A. Davidson(3)	\$ 25,000				\$ 25,000
James V. Diller	\$ 97,500	\$ 75,419	\$ 50,202	\$ 7,800(4)	\$ 230,920
Kenneth Y. Hao	\$ 50,000	\$ 75,419	\$ 50,202	\$ 14,000(5)	\$ 189,620
John M. Hsuan(6)	\$ 45,000	\$ 195,185	\$ 204,511		\$ 444,697
David Kerko(3)	\$ 25,000		\$ 202,429(7)		\$ 227,429
Justine F. Lien	\$ 80,000				\$ 80,000
Donald Macleod	\$ 70,000	\$ 75,419	\$ 50,202	\$ 10,500	\$ 206,120
Bock Seng Tan(3)	\$ 25,000			\$ 1,400	\$ 26,400

- (1) Columns represent the grant date fair value of restricted share unit awards, or option awards, as applicable, granted in Fiscal Year 2011, determined in accordance with Accounting Standards Codification 718 (ASC 718), with the exception of option awards amount presented for Mr. Kerko (see footnote (4) below). The grant date fair value of restricted share unit awards is based on the closing price of our ordinary shares

Table of Contents

on the date of grant. For a discussion of valuation assumptions used in the calculation of the grant date fair value of option awards, see Note 9 of Notes to Consolidated Financial Statements included in Part IV, Item 8 of our 2011 Form 10-K. The table below shows the aggregate number of ordinary shares underlying unvested stock options and restricted share units held by our non-employee directors as of October 30, 2011:

Name	Number of Ordinary Shares Underlying Outstanding Stock Options (#)	Number of Ordinary Shares Underlying Restricted Share Units (#)
Adam H. Clammer	7,186	2,395
James V. Diller	7,186	2,395
Kenneth Y. Hao	7,186	2,395
John M. Hsuan	17,201	5,734
Justine F. Lien	30,000	
Donald Macleod	27,186	2,395

- (2) Represents dividends paid on shares received upon exercise of options previously granted to the director as compensation, as dividends were not factored into the grant date fair value for the options because they were granted at a time when the Company did not intend to declare and pay dividends on its ordinary shares.
- (3) Messrs. Davidson, Kerko and Tan resigned from the Board effective March 9, 2011, in connection with a re-organization of the Board resulting from a several secondary offerings of our ordinary shares by our sponsor shareholders.
- (4) Shares on which dividends were paid are held by Mr. Diller as Trustee for James & June Diller Trust UA dated 7/20/77.
- (5) Pursuant to Mr. Hao's arrangement with Silver Lake with respect to director compensation, dividends received by Mr. Hao on shares received by him from the exercise of options or the vesting of RSUs received as director compensation are required to be remitted to Silver Lake.
- (6) Mr. Hsuan was appointed to the Board on February 14, 2011.
- (7) Represents the incremental fair value, determined in accordance with the provisions of ASC 718, associated with the acceleration of the vesting and exercisability of 10,000 options shares to March 9, 2011, the date on which Mr. Kerko resigned, which options would otherwise have been unvested as at such date, but for the action taken by the Compensation Committee to accelerate the vesting and exercisability of such options. The Compensation Committee elected to accelerate the vesting and exercisability of these options in light of the valuable service Mr. Kerko provided to the Company during his tenure as director.

Table of Contents**PROPOSAL 2:****APPROVAL OF THE RE-APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC****ACCOUNTING FIRM AND INDEPENDENT SINGAPORE AUDITOR FOR FISCAL YEAR 2012 AND AUTHORIZATION OF THE
AUDIT COMMITTEE TO FIX ITS REMUNERATION**

PricewaterhouseCoopers LLP is our independent registered public accounting firm in the U.S. and audits our consolidated financial statements. During Fiscal Year 2011, PricewaterhouseCoopers LLP in Singapore was our independent Singapore auditor of our Singapore statutory financial statements. Pursuant to section 205(2) and 205(4) of the Singapore Companies Act, any appointment after the Board's initial appointment of our independent Singapore auditor, or its subsequent removal, requires the approval of our shareholders. The Audit Committee has approved, subject to shareholder approval, the re-appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm and the independent Singapore auditor for the fiscal year ending October 28, 2012 (Fiscal Year 2012). Pursuant to Section 205(16) of the Singapore Companies Act, the remuneration of a company's auditors shall be fixed by the shareholders in a general meeting or the shareholders may authorize directors to fix the remuneration. The Board believes that it is appropriate for the Audit Committee, as part of its oversight responsibilities, to fix the auditors' remuneration. The Board is therefore also requesting that the shareholders authorize the Audit Committee to fix the auditors' remuneration for service rendered through our 2013 Annual General Meeting of Shareholders (the 2013 AGM). We expect a representative from PricewaterhouseCoopers LLP to be present at the 2012 AGM. This representative will have the opportunity to make a statement if he or she so desires and is expected to be available to respond to appropriate questions.

Principal Accounting Fees and Services

Set forth below are the aggregate fees charged to the Company for the services performed by our independent registered public accounting firm, PricewaterhouseCoopers LLP, relating to Fiscal Year 2011 and the fiscal year ended October 31, 2010 (Fiscal Year 2010).

	Fiscal Year 2011	Fiscal Year 2010
	(\$ in thousands)	
Audit Fees	\$ 3,063	\$ 3,055
Audit-Related Fees		5
Tax Fees	186	260
All Other Fees	4	3
Total	\$ 3,253	\$ 3,323

Audit Fees consist of fees for professional services provided in connection with the audit of our annual consolidated financial statements, audit of internal control over financial reporting, the review of our quarterly consolidated financial statements, and audit services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for those fiscal years, such as statutory audits. The fees also include services in connection with secondary offerings in January 2010, August 2010, December 2010, January 2011, February 2011, May 2011 and September 2011, including comfort letters, consents and review of documents filed with the SEC.

Audit-Related Fees consist of fees for assurance and related services by our independent registered public accounting firm that are reasonably related to the performance of the audit or review of our consolidated financial statements and not included in Audit Fees. In Fiscal Year 2010, these fees related to providing certification audits to the Singapore Economic Development Board in connection with our tax incentive arrangements in Singapore.

Table of Contents

Tax Fees consist of fees incurred for various tax transfer pricing studies in Fiscal Year 2010 and Fiscal Year 2011, a U.S. federal and a state research and development credit study in Fiscal Year 2010 and Fiscal Year 2011, respectively, and customs duty assistance in Fiscal Year 2011.

All Other Fees consist of fees for professional services rendered by our independent registered public accounting firm for permissible non-audit services. In Fiscal Year 2010 and Fiscal Year 2011, these fees consisted of a license for specialized accounting research software.

In considering the nature of the services provided by PricewaterhouseCoopers LLP, the Audit Committee determined that such services are compatible with the provision of independent audit services. The Audit Committee discussed these services with PricewaterhouseCoopers LLP and our management to determine that they are permitted under the rules and regulation concerning independent registered public accounting firms' independence promulgated by the SEC to implement the Sarbanes-Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

Except as stated above, there were no other fees billed by PricewaterhouseCoopers LLP for Fiscal Years 2010 and 2011. The Audit Committee considers the provision of these services to be compatible with maintaining the independence of our independent registered public accounting firm.

Audit Committee Pre-Approval Policy

The Audit Committee is responsible for selecting the independent registered public accounting firm to be employed by us to audit our financial statements, subject to approval by our shareholders of such appointment. The Audit Committee also assumes responsibility for the retention, compensation, oversight and termination of any independent auditor employed by us. All engagements with the Company's independent registered accounting firm, regardless of amount, must be authorized in advance by the Audit Committee. The Audit Committee has delegated its pre-approval authority to the Chairperson of the Audit Committee, provided that any matters approved in such manner are presented to the Audit Committee at its next meeting. Pursuant to the charter of the Audit Committee, committee approval of non-audit services (other than review and attest services) is not required, if such services fall within available exceptions established by the SEC. However, to date, the Audit Committee's policy has been to approve all services provided by the Company's independent registered accounting firm. The independent registered public accounting firm and our management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with the committee's pre-approval, and the fees for the services performed to date.

During Fiscal Year 2010 and Fiscal Year 2011, all services provided to us by PricewaterhouseCoopers LLP were approved by the Audit Committee pursuant to paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X.

The Board recommends a vote FOR the approval of the re-appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm and independent Singapore auditor for Fiscal Year 2012 and authorization of the Audit Committee to fix its remuneration.

Table of Contents

PROPOSAL 3:

ORDINARY RESOLUTION TO APPROVE NON-EMPLOYEE DIRECTORS' CASH

COMPENSATION

Under the laws of Singapore, our shareholders must approve all cash compensation paid by us to our directors for services rendered in their capacity as directors. Accordingly, we are seeking shareholder approval to provide payment of the following cash compensation to our non-employee directors for service on the Board and its committees during the period of approximately 12 months from April 5, 2012, the day after our 2012 AGM, through the date on which our 2013 AGM is held, and for each 12-month period thereafter as follows:

annual cash compensation of \$50,000 to each of our non-employee directors, other than the Chairperson of the Board, and cash compensation of \$80,000 to the independent Chairperson of the Board;

additional annual cash compensation of \$25,000 to the chairperson of the Audit Committee, provided that such person is an independent director;

additional annual cash compensation of \$15,000 to the chairperson of the Compensation Committee, provided that such person is an independent director;

additional annual cash compensation of \$12,500 to the chairperson of the Nominating and Corporate Governance Committee, provided that such person is an independent director;

additional cash compensation of \$10,000 to each of our independent directors in respect of each of the foregoing committees of the Board on which they serve, other than service as chairperson of any such committee of the Board; and

appropriate pro rata cash compensation, based on the annual cash compensation set forth above, as applicable, to any new non-employee director who is appointed by the Board, any independent director who is appointed to the position of Chairperson of the Board or chairperson of any such committee of the Board or any independent director who is appointed to serve on any such committee of the Board, in each case after the date of our 2012 AGM, for their services rendered as a director and/or committee member for any period less than 12 months.

We believe that this authorization will benefit our shareholders by enabling us to attract and retain qualified individuals to serve as members of our Board and to continue to provide leadership for our company.

The Board recommends a vote FOR the resolution to approve the non-employee directors, the Board Chairperson, the committee chairpersons and the committee members' cash compensation.

Table of Contents

PROPOSAL 4:

ORDINARY RESOLUTION TO AUTHORIZE ORDINARY SHARE ALLOTMENTS AND ISSUANCES

We are incorporated in the Republic of Singapore. Under the laws of Singapore, our directors may issue ordinary shares and make offers or agreements or grant options that might or would require the issuance of ordinary shares only with the prior approval of our shareholders. We are submitting this proposal to authorize our Board to allot and issue our ordinary shares from time to time, as set forth in the Notice, because we are required to do so under the laws of Singapore before we can issue any ordinary shares in connection with our equity compensation plans, possible future strategic transactions, or public and private offerings.

If this proposal is approved, the authorization would be effective from the date of the 2012 AGM and continue until the earlier of (i) the conclusion of the 2013 AGM or (ii) the expiration of the period within which the 2013 AGM is required by the laws of Singapore to be held. The 2013 AGM is required to be held no later than 15 months after the date of the 2012 AGM. The laws of Singapore allow for an application to be made with the Singapore Accounting and Corporate Regulatory Authority for an extension of up to an additional three months of the time in which to hold an annual general meeting of shareholders, which may be granted in the discretion of that Authority.

The Board believes that it is advisable and in the best interests of our shareholders for our shareholders to authorize the directors to issue ordinary shares and to make, enter into or grant offers, agreements or options that might or would require the issuance of ordinary shares. In the future, the directors may need to issue shares or make agreements that would require the allotment and issuance of new ordinary shares. For example:

in connection with strategic transactions and acquisitions;

pursuant to public and private offerings of our ordinary shares, as well as instruments (including debt instruments) convertible into our ordinary shares; or

in connection with our equity compensation plans and arrangements.

Notwithstanding this general authorization to allot and issue our ordinary shares, we will be required to seek shareholder approval with respect to future issuances of ordinary shares, where required, under the Nasdaq Stock Market rules, such as where we propose to issue ordinary shares that will result in a change in control of Avago or in connection with a transaction involving the issuance of ordinary shares representing 20% or more of our outstanding ordinary shares.

We expect that we will continue to issue ordinary shares and grant options and other equity-based awards in the future under circumstances similar to those in the past, including pursuant to our Employee Share Purchase Plan (ESPP). As of the date of this Proxy Statement, other than issuances of ordinary shares or agreements that would require the issuance of new ordinary shares in connection with our equity compensation plans and arrangements, we have no specific plans, agreements or commitments to issue any ordinary shares for which approval of this proposal is required. Nevertheless, the Board believes that it is advisable and in the best interests of our shareholders for our shareholders to provide this general authorization in order to avoid the delay and expense of obtaining shareholder approval at a later date, and to provide us with greater flexibility to pursue strategic transactions and acquisitions and raise additional capital through public and private offerings of our ordinary shares, as well as instruments convertible into our ordinary shares.

If this proposal is approved, our directors would be authorized to allot and issue, during the period described above, ordinary shares subject to our Articles of Association, applicable Singapore laws and the Nasdaq Stock Market rules. The issuance of a large number of ordinary shares (or instruments convertible into ordinary shares) could be dilutive to existing shareholders or reduce the trading price of our ordinary shares on the Nasdaq Global Select Market. If this proposal is not approved, we would not be permitted to issue ordinary shares (other than shares issuable on exercise or settlement of outstanding options, restricted share units and other instruments

Table of Contents

convertible into or exercisable for ordinary shares or the like, which were previously granted when the previous shareholder approved share issue mandates were in force). If we are unable to rely upon equity as a component of compensation, we would have to review our compensation practices, and would likely have to substantially increase cash compensation to retain key personnel.

The Board recommends a vote FOR the resolution to authorize ordinary share allotments and issuances.

Table of Contents

PROPOSAL 5:

ORDINARY RESOLUTION TO RENEW THE SHARE PURCHASE MANDATE

Our purchases or acquisitions of our ordinary shares must be made in accordance with, and in the manner prescribed by, the Singapore Companies Act, the Nasdaq Stock Market rules and such other laws and regulations as may from time to time be applicable.

Singapore law requires us to obtain shareholder approval of a general and unconditional share purchase mandate if we wish to purchase or otherwise acquire our ordinary shares. We refer to this as the Share Purchase Mandate and it allows our directors to exercise their authority to purchase or otherwise acquire our outstanding ordinary shares on the terms of the Share Purchase Mandate.

Our shareholders approved a Share Purchase Mandate at our 2011 Annual General Meeting of Shareholders, however, this Share Purchase Mandate will expire on the date of our 2012 AGM unless renewed. Accordingly, we are submitting this proposal to seek approval from our shareholders at the 2012 AGM to renew the Share Purchase Mandate. On June 8, 2011, the Board authorized the repurchase of up to 15 million of our outstanding ordinary shares, not to exceed \$500 million, in the aggregate, pursuant to the Share Purchase Mandate approved by shareholders at our 2011 Annual General Meeting. The share repurchase program does not obligate us to repurchase any specific number of shares and may be suspended or terminated at any time without prior notice. During Fiscal Year 2011 we paid \$93 million to repurchase 2.6 million of our ordinary shares, all of which were cancelled upon repurchase.

If approved by our shareholders at the 2012 AGM, the authority conferred by the renewed Share Purchase Mandate will, unless varied or revoked by our shareholders at a general meeting, continue in force until the earlier of the date of our 2013 AGM or the date by which the 2013 AGM is required by law to be held. The 2013 AGM is required to be held no later than 15 months after the date of the 2012 AGM (which period may be extended for up to an additional three months upon application by the Company to, and the approval of, the Singapore Accounting and Corporate Regulatory Authority).

The authority and limitations placed on our share purchases or acquisitions under the proposed Share Purchase Mandate, if renewed at the 2012 AGM, are summarized below:

Limit on Number of Ordinary Shares Allowed to be Purchased

During the period in which the renewed Share Purchase Mandate is effective, we may purchase or acquire that aggregate number of our ordinary shares which is equal to 10% of the total number of issued ordinary shares outstanding as of (a) March 30, 2011 (the date of our last Annual General Meeting of Shareholders) or (b) the date of the passing of this resolution (expected to be April 4, 2012), whichever is greater. There were 245,928,544 of our ordinary shares outstanding as of March 30, 2011 and [] of our ordinary shares outstanding as of February [], 2012, the most recent practicable date.

Duration of Share Purchase Mandate

Purchases or acquisitions of ordinary shares may be made, at any time and from time to time, on and from the date of approval of the Share Purchase Mandate up to the earlier of:

the date on which our next Annual General Meeting of Shareholders is held or required by law to be held; or

the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by our shareholders at a general meeting.

Table of Contents

Manner of Purchases or Acquisitions of Ordinary Shares

Purchases or acquisitions of ordinary shares may be made by way of:

market purchases on the Nasdaq Global Select Market or any other stock exchange on which our ordinary shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by us for that purpose; and/or

off-market purchases (if effected other than on the Nasdaq Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted) in accordance with an equal access prescribed by Singapore law.

If we decide to purchase or acquire our ordinary shares in accordance with an equal access scheme, our directors may impose any terms and conditions on such purchase as they see fit and as are in our interests, so long as the terms are consistent with the Share Purchase Mandate, the regulations and rules of the Nasdaq Global Select Market (or any other stock exchange on which our ordinary shares may then be listed and quoted), the Singapore Companies Act and other applicable laws. In addition, an equal access scheme must satisfy the following conditions:

offers for the purchase or acquisition of ordinary shares must be made to every person who holds ordinary shares to purchase or acquire the same percentage of their ordinary shares;

all of those persons must be given a reasonable opportunity to accept the offers made; and

the terms of all of the offers must be the same (except differences in consideration that result from offers relating to ordinary shares with (i) different accrued dividend entitlements, (ii) different amounts remaining unpaid and (iii) differences in the offers solely to ensure that each person is left with a whole number of ordinary shares).

Purchase Price

The purchase price (excluding brokerage commission, applicable goods and services tax and other related expenses of the purchase or acquisition) to be paid for an ordinary share will be determined by our directors. The maximum purchase price to be paid for the ordinary shares, as determined by our directors must not exceed:

in the case of a market purchase, the highest independent bid or the last independent transaction price, whichever is higher, of our ordinary shares quoted or reported on the Nasdaq Global Select Market or as the case may be, any other stock exchange on which our ordinary shares for the time being are listed or quoted, at the time the purchase is effected; and

in the case of an off-market purchase pursuant to an equal access scheme, 150% of the Prior Day Close Price of our ordinary shares, which means the closing price of an ordinary share as quoted on the Nasdaq Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may, for the time being, be listed and quoted on the day immediately preceding the date on which we announce our intention to make an offer for the purchase or acquisition of our ordinary shares from holders of our ordinary shares, stating therein the purchase price (which shall not be more than the maximum purchase price calculated on the foregoing basis) for each ordinary share and the relevant terms of the equal access scheme for effecting the off-market purchase.

Sources of Funds

Only funds legally available for purchasing or acquiring ordinary shares in accordance with our Articles of Association and applicable laws of Singapore shall be used. In the event that we elect to purchase or acquire any of our ordinary shares, depending on the number of ordinary shares repurchased or acquired and then current market, business and other relevant conditions, we may use our internal sources of funds and/or

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external borrowings to finance any such purchases or acquisitions. Our directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially affect our working capital requirements and those of our subsidiaries.

Table of Contents

Under the Singapore Companies Act, any payment made in consideration of the purchase or acquisition of ordinary shares may be made out of our capital or profits. Acquisitions or purchases made out of capital or profits are permissible only so long as Avago is solvent. Pursuant to section 76F(4) of the Singapore Companies Act, a company is solvent if (a) it is able to pay its debts in full at the time of the payment made in consideration of the purchase or acquisition (or the acquisition of any right with respect to the purchase or acquisition) of ordinary shares and will be able to pay its debts as they fall due in the normal course of business during the 12-month period immediately following the date of such payment; and (b) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after giving effect to the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

Status of Purchased or Acquired Ordinary Shares

The ordinary shares that we purchase or acquire will be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to those ordinary shares will expire on cancellation. The total number of issued shares will be diminished by the number of ordinary shares purchased or acquired by us.

We will cancel and destroy certificates, if applicable, in respect of purchased or acquired ordinary shares as soon as reasonably practicable following settlement of any purchase or acquisition of ordinary shares.

Financial Effects

Our net tangible assets will be reduced by the purchase price of any ordinary shares purchased or acquired and cancelled. We do not anticipate that the purchase or acquisition of our ordinary shares in accordance with the Share Purchase Mandate would have a material impact on our consolidated results of operations, financial condition and cash flows.

The financial effects on us arising from purchases or acquisitions of ordinary shares which may be made pursuant to the Share Purchase Mandate will depend on, among other things, whether the ordinary shares are purchased or acquired out of our profits and/or capital, the number of ordinary shares purchased or acquired, and the price paid for the ordinary shares.

Under the Singapore Companies Act, purchases or acquisitions of ordinary shares by us may be made out of our profits and/or our capital. Where the consideration paid by us for the purchase or acquisition of ordinary shares is made out of our profits, such consideration (excluding brokerage, commission, goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by us. Where the consideration that we pay for the purchase or acquisition of ordinary shares is made out of our capital, the amount available for the distribution of cash dividends by us will not be reduced. We began paying a quarterly, interim, cash dividend on our ordinary shares in December 2010.

Rationale for the Share Purchase Mandate

We believe that renewal of the Share Purchase Mandate at the 2012 AGM will benefit our shareholders by providing our directors with appropriate flexibility to cause the repurchase of our ordinary shares if our directors believe that such repurchases would be in the best interests of our shareholders. Our decision to repurchase our ordinary shares from time to time will depend on our continuing assessment of then-current market conditions, our need to use available cash to finance our operations, acquisitions and other strategic transactions, the level of our debt, and the terms and availability of financing.

Take-Over Implications

If, as a result of our purchase or acquisition of our issued ordinary shares, a shareholder's proportionate interest in our voting capital increases, such increase will be treated as an acquisition under The Singapore Code on Take-overs and Mergers, Appendix 2. If such increase results in a change of effective control, or, as a result of

Table of Contents

such increase, a shareholder or a group of shareholders acting in concert obtains or consolidates effective control of our company, such shareholder or group of shareholders acting in concert could become obliged to make a take-over offer for our company under Rule 14 of The Singapore Code on Take-overs and Mergers.

The circumstances under which shareholders (including directors or a group of shareholders acting together) will incur an obligation to make a take-over offer can be found under Rule 14 and Appendix 2 of the Singapore Code on Take-overs and Mergers. The effect of Appendix 2 is that, unless exempted, shareholders will incur an obligation to make a take-over offer under Rule 14 if, as a result of us purchasing or acquiring our issued ordinary shares, the voting rights of such shareholders (and parties acting in concert with them) would increase to 30% or more, or if such shareholders (and parties acting in concert with them) hold between 30% and 50% of our voting rights, the voting rights of such shareholders (and parties acting in concert with them) would increase by more than 1% in any period of six months. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under The Singapore Code on Take-overs and Mergers as a result of any share purchase by us should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.

The Board recommends a vote FOR the resolution to renew the Share Purchase Mandate.

Table of Contents**EXECUTIVE OFFICERS****Executive Officers**

The following table sets forth certain information about our executive officers as of February [], 2012.

Name	Age	Position
Hock E. Tan	60	President, Chief Executive Officer and Director
Douglas R. Bettinger	44	Senior Vice President and Chief Financial Officer
Boon Chye Ooi	58	Senior Vice President, Global Operations
Bryan T. Ingram	47	Senior Vice President and General Manager, Wireless Semiconductor Division
Patricia H. McCall	57	Vice President and General Counsel

Hock E. Tan has served as our President, Chief Executive Officer and a director since March 2006. From September 2005 to January 2008, he served as chairman of the board of directors of Integrated Device Technology, Inc., or IDT. Prior to becoming chairman of IDT, Mr. Tan was the President and Chief Executive Officer of Integrated Circuit Systems, Inc., or ICS, from June 1999 to September 2005. Prior to ICS, Mr. Tan was Vice President of Finance with Commodore International, Ltd. from 1992 to 1994, and previously held senior management positions with PepsiCo, Inc. and General Motors Corporation. Mr. Tan served as managing director of Pacven Investment, Ltd., a venture capital fund in Singapore from 1988 to 1992, and served as managing director for Hume Industries Ltd. in Malaysia from 1983 to 1988.

Douglas R. Bettinger has served as our Senior Vice President and Chief Financial Officer since August 2008. From 2007 to 2008, Mr. Bettinger served as Vice President of Finance and Corporate Controller at Xilinx, Inc. From 2004 to 2007, he was Chief Financial Officer at 24/7 Customer, a privately-held company. Mr. Bettinger was at Intel Corporation from 1993 to 2004, where he served in several senior-level finance and manufacturing operations positions, including Corporate Planning and Reporting Controller, and Malaysia Site Operations Controller.

Boon Chye Ooi has served as our Senior Vice President, Global Operations since January 2009. From November 2003 until 2008, Mr. Ooi was at Xilinx, Inc., where he was responsible for all worldwide manufacturing operations, most recently as Senior Vice President of Worldwide Operations. Prior to Xilinx, Mr. Ooi spent 25 years at Intel Corporation, where he served in a variety of positions.

Bryan T. Ingram has served as our Senior Vice President and General Manager, Wireless Semiconductor Division since November 2007 and prior to that as Vice President of that division since December 2005. Prior to the closing of our acquisition of the Semiconductor Products Group (SPG) of Agilent Technologies, Inc. (the SPG Acquisition), Mr. Ingram was the Vice President and General Manager, Wireless Semiconductor Division of SPG. He has held various other positions with Hewlett-Packard Company and Agilent Technologies, Inc. Mr. Ingram joined Hewlett-Packard Company in 1990.

Patricia H. McCall has served as our Vice President and General Counsel since March 2007. She served as Director of Litigation at Adobe Systems from 2006 to 2007. Prior to this, Ms. McCall served as Senior Vice President, General Counsel and Secretary of ChipPAC Inc. from January 2003 to August 2004, when ChipPAC Inc. merged with ST Assembly Test Services Ltd. in August 2004. Ms. McCall served as the Senior Vice President Administration, General Counsel and Secretary of ChipPAC Inc. from November 2000 to January 2003. From November 1995 to November 2000, Ms. McCall was at National Semiconductor Corporation, most recently as Associate General Counsel, and prior to that was a partner at the law firm of Pillsbury, Madison & Sutro. Ms. McCall is also a Barrister in England.

Our executive officers are appointed by, and serve at the discretion of, our Board. There are no family relationships among our directors and executive officers.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

Our Compensation Committee reviews and approves compensation for all our executives.

We have in place a compensation strategy for our executives which focuses on both individual and Company performance. Compensation of our executives is structured around the achievement of near-term corporate targets (fiscal year metrics) as well as longer-term business objectives and strategies. The Compensation Committee is responsible for evaluating and administering all of our compensation programs and practices to ensure that they properly compensate, reward and drive corporate performance while remaining competitive with comparable semiconductor companies competing in the same or similar markets. The Compensation Committee reviews and approves all compensation policies, including executive base salaries, bonuses and equity incentive compensation.

Our named executive officers (NEOs) for Fiscal Year 2011 were Hock E. Tan, President and Chief Executive Officer, Douglas R. Bettinger, Senior Vice President and Chief Financial Officer, Boon Chye Ooi, Senior Vice President, Global Operations, Bryan T. Ingram, Senior Vice President and General Manager, Wireless Semiconductor Division, and Patricia H. McCall, Vice President and General Counsel.

2011 Financial Results and Link to Pay Decisions

In Fiscal Year 2011, we achieved strong year-over-year growth:

Revenue increased \$243 million or 11.6% over Fiscal Year 2010, based almost entirely on organic growth.

We achieved strong operating leverage, growing year-over-year non-GAAP income from operations 22.6% or 1.9 times our revenue growth rate, with non-GAAP earnings per diluted share increasing 23.3% year-over-year, which was more than 2 times our revenue growth rate.

GAAP net income and earnings per share reached record levels, with Fiscal Year 2011 net income of \$552 million and earnings per diluted share of \$2.19.

The Company generated \$614 million in free cash flow (cash flow from operations less capital expenditures) and used \$93 million to repurchase shares to return cash to our stockholders and reduce our weighted average shares outstanding by 0.28%.

Balance sheet metrics continued to be strong with year-end cash of \$829 million.

Our strong operational and financial performance during Fiscal Year 2011 drove our annual cash incentive payouts:

We achieved 116% of our revenue growth goal and 142% of our non-GAAP operating income target.

We met or exceeded the performance targets applicable to our business unit/function executives.

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These achievements resulted in cash incentive payouts of between 120% and 150% of target for the NEOs.

Total cash compensation (the sum of base salary and annual incentive bonus payouts) was generally consistent with Fiscal Year 2010 levels:

Base salaries for our NEOs were increased by less than 5% in all cases in Fiscal Year 2011.

Target annual bonuses were generally set at the same levels as in Fiscal Year 2010.

Table of Contents

We changed our long-term incentive awards to consist of a combination of service-based options and restricted share units, instead of solely service-based options, in order to more competitively position us to retain our executives.

We continued to manage the burn rate associated with our equity compensation program:

Certain NEOs received equity grants in Fiscal Year 2011, primarily for retention purposes.

NEOs did not receive any equity awards in Fiscal Year 2010.

Total direct compensation (the sum of base salary, annual incentive bonus payouts and long-term equity awards) exceeded Fiscal Year 2010 levels primarily because we did not grant equity awards in Fiscal Year 2010.

In this Compensation Discussion and Analysis section, we discuss the material elements of our compensation programs and policies, including program objectives and reasons why we pay each element of our executives' compensation. Following this discussion, you will find a series of tables containing more specific details about the compensation earned by, or awarded to, our NEOs. This discussion focuses principally on compensation and practices relating to the NEOs for our Fiscal Year 2011.

Objectives and Philosophy of Our Executive Compensation Program

Our compensation program for executives is designed to achieve the following:

attract and retain qualified, experienced and talented executives, in light of competitive pressures from our peer group companies;

motivate and reward executives whose skills, knowledge and performance are critical to the on-going success of our Company;

encourage executives to focus on the achievement of corporate and financial performance goals and metrics by aligning the incentive reward program to the achievement of both functional/divisional goals and corporate goals; and

align the interests of our executives with those of our shareholders. A significant portion of total compensation paid to our executives is in the form of equity grants that vest over their years of service. We use equity grants as a long term retention strategy that aims to align the interests of our executives with shareholders by tying a significant portion of each executive's compensation to returns realizable by our shareholders.

Equity grants are a long-term retention tool for key executives intended to reflect the value we place on their contribution to our Company. The Compensation Committee approves all equity grants made to executives. At the time of the SPG Acquisition in December 2005, we granted significant equity awards to executives in order to attract and retain them. We have from time to time made additional grants of options, and in Fiscal Year 2011 began to grant restricted share units (RSUs) to our executives, typically in connection with their commencement of employment with us, in connection with a promotion or in connection with the assignment of increased responsibilities or for ongoing retention purposes. When allocating equity, the Compensation Committee looks at each executive's level of experience and expertise and overall value to our Company, as well as how much vested and unvested equity an executive holds.

Our Compensation Committee has adopted a compensation philosophy that is intended to keep total cash compensation (base salary plus cash incentive reward) of our executives competitive with compensation at companies within our peer group. We view total cash compensation (including incentive cash compensation) within approximately the 50th-75th percentiles, dependent on the area of responsibility relative to product development, sales, or support functions, as desirable for our executives. The Compensation Committee believes that total cash compensation within this range of the market provides us a competitive position for attracting and

Table of Contents

retaining executives; provided, however, that our Compensation Committee will make exceptions to this philosophy when it determines it is necessary to attract or retain an executive with the experience and skills the Compensation Committee determines is desirable for a particular position, to provide additional incentive to an executive to achieve the Company's goals or to maintain internal parity among executives with similar levels of responsibilities. As a result, actual total cash compensation paid to an executive may be outside of the 50th-75th percentile reference points. When reviewing compensation against market practices, the Compensation Committee uses industry based market compensation survey data, to which we refer in this Proxy Statement as market salary surveys, from the following data sources:

Radford Global Technology Survey;

Radford Global Sales Survey; and

Mercer High Tech Salary Survey (Asia).

The companies the Compensation Committee used in March 2011 as a point of reference for reviewing and setting executive compensation for the remainder of Fiscal Year 2011, to which we refer in this Proxy Statement as our peer group companies, and those that participate in the market salary surveys, are:

Altera Corporation;

Analog Devices, Inc.

Atmel Corporation;

Cypress Semiconductor Corporation;

Fairchild Semiconductor International, Inc.;

Finisar Corporation;

Intersil Corporation;

Linear Technology Corporation;

LSI Logic Corporation;

Marvell Technology Group Ltd.;

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Maxim Integrated Products, Inc.;

Microchip Technology Incorporated.;

National Semiconductor Corporation;

ON Semiconductor Corporation;

Skyworks Solutions, Inc. and

Xilinx, Inc.

In August 2010, our Compensation Committee reviewed our peer group companies for the purposes of identifying the appropriate peer group. The selection criteria for the peer group are companies in the semiconductor industry, with similar business focus, comparability across annual revenue (generally 0.5 to 2.0 times that of the Company) and market capitalization (generally 0.25 to 3.0 times that of the Company). The peer group used for our market comparisons for 2011 was the same as the peer group used for 2010, except for the addition by the Compensation Committee of the following two companies: Analog Devices, Inc. and Skyworks Solutions, Inc. which were deemed appropriate peers based on the established selection criteria. In November 2010, our Compensation Committee reviewed market survey data for the revised peer group for the purpose of setting 2011 compensation for our executives. Relative to the above peer group, our revenues for the four quarters preceding November 2010 ranked at the 63rd percentile, with revenue per employee at the 84th percentile, and our market capitalization (as at November 2010) ranked at the 59th percentile, with market capitalization per employee at the 82nd percentile.

Table of Contents

While the Compensation Committee reviews benchmark compensation data for, and compensation practices at, peer companies to inform its decision-making process, it does not set compensation components to meet specific benchmarks. The Compensation Committee uses peer-group data as a point of reference so that it can set total compensation levels that it believes are reasonably competitive, but also believes that over-reliance on benchmarking can result in compensation that is unrelated to the value delivered by our executives. While compensation levels may differ among executives on competitive factors, and the role, responsibilities and performance of each specific executive, there are not material differences in the compensation philosophies, objectives or policies for our executives, including NEOs. We do not maintain a formal policy regarding internal pay equity, but it may be considered as a factor in determining compensation where applicable.

The Compensation Committee retains Compensia as its compensation consultant. Compensia has not provided and does not provide any other services to the Company other than de minimis ministerial data processing services.

Components of Our Executive Compensation Program

The components of our executive compensation program are:

Annual base salary;

Annual (fiscal year) cash incentive program;

Equity incentive (grants of options to purchase ordinary shares and restricted share units); and

Perquisites.

Annual Cash Compensation

Base Salary

Our Compensation Committee believes that a competitive base salary is a necessary element of any compensation program designed to attract, engage and retain key executives. Base salaries provide fixed, baseline compensation and are set at levels that are intended to be within a competitive range with similar positions at our peer group companies. The base salaries of all our executives are reviewed annually by the Compensation Committee against positions of similar size and scope in our peer group companies. As the independent consultant to the Committee, Compensia prepares the assessment of executive compensation based on market data, including data from our peer group companies.

Annual adjustments to an executive's base salary take into account:

- (i) Economic and business conditions and outlook;
- (ii) individual performance throughout the prior fiscal year (based on the achievement of divisional goals used in the annual cash incentive bonus plan, fiscal responsibility and senior leadership ability);
- (iii) the actual pay rate of our executives as compared to market pay rates from the market salary surveys; and
- (iv) internal parity, where applicable.

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Our Compensation Committee reviews and considers many factors in determining individual performance for the purposes of adjusting base salaries including such measures as unit or division performance against budget, achievement of unit or division sales goals, new product introductions and corporate strategy implementation. The process for internal parity where applicable involves comparing executives in peer roles to ensure that base salaries are comparable based on function, scope and responsibilities of the role and taking into account the executive's experience, technical knowledge and expertise.

Table of Contents

Commencing in Fiscal Year 2011, the Compensation Committee elected to conduct the annual salary review process for executives in the middle of the fiscal year, with changes to salaries becoming effective in July. In March 2011, the Compensation Committee undertook a market review of executive compensation, using the 2010 market salary surveys prepared by Compensia, and approved market-based salary increases resulting in base salaries for the NEOs (commencing July 2011) as follows:

Name	Base Salary (USD) Effective February 1, 2010	2010 Base Salary As a Percentile of Base Salaries at Peer Group Companies	Base Salary (USD) Effective July 1, 2011	2011 Base Salary As a Percentile of Base Salaries at Peer Group Companies
Hock E. Tan	\$ 700,000	45 th Percentile	\$ 700,000	50 th Percentile
Douglas R. Bettinger	\$ 385,000	40 th Percentile	\$ 400,000	50 th Percentile
Boon Chye Ooi(1)	\$ 470,192	>90 th Percentile	\$ 546,957	>90 th Percentile
Bryan T. Ingram	\$ 385,000	80 th Percentile	\$ 400,000	75 th Percentile
Patricia H. McCall	\$ 340,000	65 th Percentile	\$ 350,000	75 th Percentile

(1) Mr. Ooi's cash compensation is paid in Singapore Dollars. For the purposes of this table, salary amounts paid to Mr. Ooi in Singapore Dollars were converted back to U.S. Dollars using the Accounting Rate for January 2010 (1.4073 Singapore Dollars to the U.S. Dollar) and June 2011 (1.2341 Singapore Dollars to the U.S. Dollar) as applicable. The Accounting Rate for any month is the exchange ratio of the number of Singapore Dollars to one U.S. Dollar for the last business day of the preceding fiscal month, as reported by Bloomberg L.P. Mr. Ooi's experience and expertise in the US and internationally were major factors considered in his starting base salary. His global senior executive role located in Singapore has a limited number of survey incumbents for comparison, which results in the higher position of his salary compared to the available market data.

The NEOs' base salaries were increased by less than 5% (in local currency), in all cases, based on the Compensation Committee's assessment of the market survey data from peer group companies, and in light of the NEOs' experience, performance at the Company and total direct compensation being awarded to each executive. The Compensation Committee believes that a significant portion of an executive's total compensation should be dependent upon the Company's performance. Our Chief Executive Officer may recommend increasing the base salary of an executive at any time throughout the course of the year if a change in the scope of the executive's role and responsibilities warrants an increase. In limited circumstances, our Chief Executive Officer may propose that an executive's base salary be adjusted in response to a competitive threat or competitive labor market conditions. The Compensation Committee approves any salary adjustments that are made during the fiscal year for executives.

Annual Cash Incentive Program

We maintain a performance based annual cash incentive bonus plan for all of our executive management and one for all other employees. The plans are reviewed and approved on an annual basis by our Compensation Committee. Company goals and business metrics are also reviewed and approved by the Compensation Committee. Our performance based annual cash incentive plan for executives is designed to encourage and motivate the Chief Executive Officer to achieve corporate level goals and other executives to achieve both corporate level and functional/divisional level goals, thereby positively contributing to the growth and performance of the Company. The structure of the plan for Fiscal Year 2011 was substantially the same as for Fiscal Year 2010, except as described below. The plan included a target bonus amount expressed as a percentage of base salary for each NEO which could be achieved by meeting corporate and divisional goals and could be increased or decreased based on individual performance. The formula used to calculate an executive's performance-based bonus under the plan is as follows:

$$\text{Bonus Amount} = \text{Bonus Target Percentage (participation)} \times \text{Annual Bonus Eligible Earnings (base salary paid)} \times \text{Group Performance Factor (may range from)} \times \text{Individual Performance Factor (may range from)}$$

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rate)	during the fiscal	50% - 150%)	50% - 150%)
	year)		

Table of Contents

All bonuses paid under the plan are paid to the NEOs in cash, with the exception of the Chief Executive Officer in certain circumstances. During Fiscal Year 2011, the Compensation Committee amended the plan to permit a portion of the bonus payable to the Chief Executive Officer to be paid in the form of an equity award. In the event the Compensation Committee assigns the Chief Executive Officer an Individual Performance Factor (discussed in more detail below) greater than 100%, the Compensation Committee may elect to pay the difference between the dollar amount of the Chief Executive Officer's actual bonus amount and the dollar amount of the Chief Executive Officer's bonus calculated using a performance factor of 100% in the form of an equity award under our 2009 Plan. The type and terms of any such equity award would be determined by the Compensation Committee. The Compensation Committee made this change in order to be able to further incentivize our Chief Executive Officer to focus on the mid- to long-term performance of the Company and to further provide for value creation for the Company's shareholders.

Bonus Target Percent

Rates at which our executive officers participate in the performance based annual cash incentive bonus plan are expressed as a percent of base salary. The Compensation Committee sets the rate of participation for our executives based on its assessment of the executive's experience and ability to influence corporate results. In addition, the Committee also reviews competitive market data from the market salary surveys for our peer group companies as a point of reference in making this determination; however, no benchmarking against that data occurs. In particular, the Compensation Committee set the participation rates based on each executive's experience in his or her role with our Company and the level of responsibility held by each executive, which the Compensation Committee believes directly correlates to his or her ability to influence corporate results. The NEO's target rates of participation for Fiscal Year 2011 were the same as in 2010, except that Ms. McCall's target rate of participation was increased from 40% of her base salary to 50% of her base salary in order to more closely align her target bonus to the 50th percentile of the peer group companies, and based on the Compensation Committee's assessment of Ms. McCall's experience and overall leadership and management of our Legal function. Each NEO's target bonus amount can be calculated by multiplying his or her participation rate times his or her base salary and is included in the table entitled "Summary Bonus Table" below.

Group Performance

Group performance for each executive, other than our Chief Executive Officer, consists of corporate performance and division/function performance, with each component equally weighted at 50%. Division/function performance metrics include, among other things, metrics for direct expenses incurred by the division or function for which an NEO is responsible. Our Chief Executive Officer's group performance is measured solely using corporate performance since our Chief Executive Officer has overall responsibility for our Company. A component of performance must be achieved at the minimum level of performance before it is taken into account in calculating an executive's bonus amount. Achieving the minimum level of performance for a particular component (other than direct expenses) results in 50% attainment while achieving the maximum level of performance results in 150% attainment for such component, with performance between these levels resulting in an attainment percentage based on linear interpolation. For direct expense performance targets only, achieving the minimum level of performance will result in 80% attainment while achieving the maximum level of performance will result in 120% attainment for such component, with performance between these levels resulting in attainment percentages based on linear interpolation.

The corporate goals for Fiscal Year 2011 were revenue growth as compared to Fiscal Year 2010 and non-GAAP income from operations, and each carried an equal weighting of 50% of corporate performance. The target for revenue growth for Fiscal Year 2011 was 10.0%, as compared to Fiscal Year 2010 and the target for non-GAAP income from operations was \$649.8 million. The goals were set by the Compensation Committee, with input from management and were designed to be difficult to attain and to require substantial effort by management to achieve. In December 2011, the Compensation Committee determined that we achieved Fiscal Year 2011 revenue growth of 11.6%, which was greater than the target level of performance for 100%

Table of Contents

achievement specified in the plan, resulting in 116% attainment of this goal. The Compensation Committee also determined that we achieved non-GAAP income from operations for Fiscal Year 2011 of \$704 million, which was greater than the target level of performance for 100% achievement specified in the plan, resulting in an attainment of this goal at 142%.

Non-GAAP income from operations of \$704 million for Fiscal Year 2011 is calculated from our consolidated audited financial statements in our 2011 Form 10-K by adding to our \$584 million GAAP operating income \$78 million related to the amortization of acquisition-related intangibles (\$56 million reported as amortization of intangible assets as part of cost of products sold and \$22 million reported in amortization of intangible assets as part of operating expenses), \$38 million related to share-based compensation expense (\$4 million reported as part of cost of products sold and \$34 million reported as part of operating expenses), and \$4 million related to restructuring charges (of which the entire amount related to operating expenses).

The Compensation Committee determines an executive's division/function performance percentage based on the achievement of goals by the division/function overseen by the executive. The Compensation Committee sets divisional/function goals and their weightings annually, based on its assessment of the business requirements of the particular division/function to which the goals relate and the relative importance of the goals to the division/function. Each of the divisional goals, and its respective weighting, for our NEOs is described in the Summary Bonus Table below. Each divisional/function goal is set by the Compensation Committee to be difficult to attain and to require substantial effort on behalf of the division and the executive in charge of the division or function to achieve. In December 2011, the Compensation Committee determined that divisional/function goals had been achieved at the levels set forth in the Summary Bonus Table below.

Individual Performance

Individual performance is applied as a multiplier to the bonus amount calculated based on group performance. Individual performance is approved by the Compensation Committee based on recommendations from the Chief Executive Officer for each executive other than the Chief Executive Officer. In determining individual performance, the Compensation Committee considers the requirements of the executive's position including the achievement of the divisional goals set forth in the Summary Bonus Table below, fiscal responsibility as determined by the Compensation Committee with input from the Chief Executive Officer, the executive's senior leadership capability, and how each of these factors impacts the overall performance of the executive's division and/or function. Based on their respective levels of performance and individual contribution, the Compensation Committee assigns each executive an individual performance multiplier, of between 50% and 150%. Executives, who consistently meet or exceed the requirements of the position, as determined by the Compensation Committee, will receive a bonus multiplier of between 100% and 150%. Executives who meet some, but not all, of the requirements of the position or for whom the Compensation Committee believes that improvement is needed will receive a bonus multiplier of between 50% and less than 100%. The Compensation Committee may adjust our executives' individual performance multiplier upwards or downwards in its sole discretion, based on any criteria it determines appropriate.

For Fiscal Year 2011, the Compensation Committee (with input from our Chief Executive Officer, other than with respect to himself) determined that each of our NEOs should receive an individual performance multiplier of between 110% and 140%, based on attainment of the bonus metrics set forth in the Summary Bonus Table below for their respective divisions/functions.

Discretionary Bonuses

Each year, our Compensation Committee may supplement the performance-based cash incentive plan awards earned by our NEOs with discretionary bonuses which are awarded based on our Chief Executive Officer's recommendations, other than with respect to himself, and the Compensation Committee's assessment of individual contributions. In Fiscal Year 2011 no discretionary bonuses were paid to our NEOs.

Table of Contents*Summary Bonus Table*

With respect to each NEO, corporate divisional/functional goals for Fiscal Year 2011 were set and achieved, and bonuses were paid, as follows:

Name	Bonus Target Percent	Fiscal Year 2011 Bonus Metric	Fiscal Year 2011 Weighting as a Percentage of Bonus Target	Fiscal Year 2011 Achievement	Fiscal Year 2011 Payout in Dollars and as a Percentage of Bonus Eligible Earnings	
Hock E. Tan President and Chief Executive Officer	150%	Avago Revenue Growth	50%	116%		
		Avago Operating Profit	50%	142%		
		<i>Total Weighted Fiscal Year</i>				
		<i>2011 Attainment</i>	100%	129.1%		\$ 1,626,380(232%)
Douglas R. Bettinger Senior Vice President and Chief Financial Officer	75%	Avago Revenue Growth	25%	116%		
		Avago Operating Profit	25%	142%		
		Direct Expenses	20%	120%		
		Intra-Company Service Levels	20%	107%		
		Asset Management	10%	150%		
		<i>Total Weighted Fiscal Year</i>				
<i>2011 Attainment</i>	100%	124.9%	\$ 437,934(112%)			
Boon Chye Ooi Senior Vice President, Global Operations	75%	Avago Revenue Growth	25%	116%		
		Avago Operating Profit	25%	142%		
		Avago Gross Margin %	20%	122%		
		Direct Expenses	8.3%	120%		
		Quality Assurance	5%	50%		
		Inventory Management	8.3%	113%		
		Customer Service	8.3%	150%		
		<i>Total Weighted Fiscal Year</i>				
		<i>2011 Attainment</i>	100%	123.3%		\$ 520,706(102%)
Bryan T. Ingram Senior Vice President and General Manager, Wireless Semiconductor Division (WSD)	75%	Avago Revenue Growth	25%	116%		
		Avago Operating Profit	25%	142%		
		WSD Design Wins	16.7%	150%		
		WSD Revenue	16.7%	134%		
		WSD Contribution Profit	16.7%	150%		
		<i>Total Weighted Fiscal Year</i>				
		<i>2011 Attainment</i>	100%	136.9%		\$ 560,225(144%)
Patricia H. McCall Vice President and General Counsel	50%	Avago Revenue Growth	25%	116%		
		Avago Operating Profit	25%	142%		
		Direct Expenses	25%	120%		
		Intra-Company Service Levels	25%	110%		
		<i>Total Weighted Fiscal Year</i>	100%	122.0%		\$ 230,304(67%)

Equity Incentive Compensation

Our Compensation Committee believes that long term, sustainable growth and performance is best facilitated through a culture of executive stock ownership that encourages long term investment and engagement by our executive management. The aim is also to align executive performance and behaviors to create a culture conducive to shareholder investment.

Table of Contents

Our Compensation Committee approves all equity awards granted to executive officers. The size of initial and any subsequent grants for executives takes into account past equity grants, the executive's position and level, other compensation and the value the executive brings to the Company based on their technical experience, expertise and leadership capabilities. In determining whether to grant an executive additional equity, the Compensation Committee will also review the amount of vested and unvested equity that an executive holds and the fair market value of the unvested equity compared to the executive's base salary. The philosophy behind equity awards is to provide the executive with a strong incentive to remain with and build value in the Company over an extended period of time. We do not have a set annual equity award program for our executives. The Compensation Committee reviews each executive's equity position annually, but may not grant an award to an executive each year. Equity awards to executives may be proposed by our Chief Executive Officer from time to time and must be granted by the Compensation Committee.

Prior to Fiscal Year 2011, equity awards to our executive officers consisted solely of stock options, which typically had a duration of 10 years from the date of grant. In evaluating equity incentive compensation for our executives in Fiscal Year 2011, the Compensation Committee, upon advice from and consultation with Compensia, determined that equity awards to executives should consist of both stock options and restricted share units, in order to provide an additional element to encourage long-term retention of executives. In addition, effective March 2011, the Compensation Committee, upon advice from Compensia, decided to reduce the term of new stock options from ten years to seven years in order to reduce expenses associated with the grant of options. Equity awards granted to executives under the 2009 Plan generally vest in two equal installments, with options vesting on the third and fourth anniversaries of the date of grant and RSUs vesting at approximately the end of the third and fourth years after grant.

2011 Equity Grants

In March 2011 the Compensation Committee awarded equity grants to the following NEOs:

Name	Options (Number of Shares)	RSUs (Number of Shares)
Hock E. Tan	600,000	200,000
Douglas R. Bettinger	25,000	8,333
Bryan T. Ingram	150,000	50,000

In deciding to make these awards, the Compensation Committee considered the amount of unvested equity held by the executive, and the fact that the majority of the existing equity awards held by these executives would vest in 2012 and/or 2013, as well as the importance of retaining these executives. In determining the size of the awards, the Compensation Committee considered the fair market value of the unvested equity already held by each executive compared to the executive's base salary, as well as market data for our peer group companies. The Compensation Committee also took into account the performance of the Company and the fact that no equity awards had been granted in Fiscal Year 2010.

Pre-IPO Equity Grants

Options to purchase ordinary shares that were granted to executives prior to our IPO are governed by the Equity Incentive Plan for Executive Employees of Avago Technologies Limited and Subsidiaries (the Executive Plan), which is administered by the Compensation Committee. Generally, options granted under the Executive Plan vest in equal annual installments over five years based 50% upon the passage of time and 50% on our financial performance, as measured using non-GAAP operating income, subject in each case to continued employment with Avago. The annual operating income target used for performance-based options is income (loss) from operations calculated in accordance with GAAP, but adjusted to exclude amortization of acquisition-related intangibles, share-based compensation, restructuring and asset impairment charges, acquired in-process research and development, (gain)/loss on extinguishment of debt, management and transaction fees payable to the Sponsors or their affiliates, and (income) loss from and (gain) loss on discontinued operations and other items

Table of Contents

eligible for exclusion. The Compensation Committee determined that non-GAAP operating income provides a better overall measure of our financial performance among periods than operating income calculated in accordance with GAAP would otherwise provide because the amounts not included in the non-GAAP operating income target ar