

BENCHMARK ELECTRONICS INC  
Form DFAN14A  
April 15, 2016

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

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

BENCHMARK ELECTRONICS, INC.  
(Name of Registrant as Specified in Its Charter)

ENGAGED CAPITAL MASTER FEEDER I, LP  
ENGAGED CAPITAL MASTER FEEDER II, LP  
ENGAGED CAPITAL CO-INVEST II L.P.  
ENGAGED CAPITAL I, LP  
ENGAGED CAPITAL I OFFSHORE, LTD.  
ENGAGED CAPITAL II, LP  
ENGAGED CAPITAL II OFFSHORE LTD.  
ENGAGED CAPITAL, LLC  
ENGAGED CAPITAL HOLDINGS, LLC  
GLENN W. WELLING  
JEFFREY S. MCCREARY  
ROBERT K. GIFFORD  
BRENDAN B. SPRINGSTUBB

(Name of Persons(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.
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(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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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

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.. Fee paid previously with preliminary materials:

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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.

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(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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Engaged Capital, LLC, together with the other participants named herein (collectively, "Engaged Capital"), has filed a definitive proxy statement and an accompanying BLUE proxy card with the Securities and Exchange Commission to be used to solicit votes for the election of its slate of director nominees at the 2016 annual meeting of stockholders of Benchmark Electronics, Inc., a Texas corporation.

Item 1: On April 15, 2016, Engaged Capital issued an Investor Presentation, which is attached as Exhibit 1.

Item 2: On April 15, 2016, Engaged Capital issued the following press release:

#### ENGAGED CAPITAL RELEASES PRESENTATION TO BENCHMARK SHAREHOLDERS

- BHE has consistently failed to create value anytime over the last 10 years
- BHE's stale and long tenured board is to blame as they have failed to represent shareholder interests
- Engaged Capital believes there is an opportunity and has a plan to improve BHE's valuation by over 50%
- Vote the BLUE Engaged Capital Proxy Card today to Elect Robert K. Gifford, Jeffrey S. McCreary, and Brendan B. Springstubb

Newport Beach, CA, April 15, 2016 /Business Wire/ - Engaged Capital, LLC (together with its affiliates, "Engaged Capital"), an investment firm specializing in enhancing the value of small and mid-cap North American equities and a 4.9% shareholder of Benchmark Electronics, Inc. ("BHE" or the "Company") (NYSE: BHE), announced today that it has released a presentation to BHE shareholders in connection with its campaign to elect three highly-qualified directors at the Company's upcoming May 11, 2016 Annual Meeting of Shareholders. The presentation is available on its website [www.adeeperbench.com](http://www.adeeperbench.com).

In its presentation to shareholders, Engaged Capital outlines BHE's history of underperformance, which Engaged Capital believes is a consequence of the stale and long tenured board of director's (the "Board") apparent failure to represent shareholders' interests. These failures by the Board, which Engaged Capital believes are the key drivers of underperformance include BHE's:

- Undisciplined capital allocation including value destructive M&A and excess capital sitting on the balance sheet;
- Inefficient working capital management has driven worst in class ROIC and valuation on almost all metrics;
- Misaligned incentive compensation that encourage M&A without regard for returns, and BHE stopped disclosing key long-term compensation targets;
- Ineffective investor communications including financial reporting that is inconsistent with peers and a lack of transparency, resulting in low buy-side and sell-side interest; and
- Poor corporate governance practices presided over by an entrenched board with minimal share ownership that lacks the necessary expertise in the areas outlined above.

Engaged Capital believes that there is an opportunity to improve BHE's valuation by over 50% - but change is needed to do so. Engaged Capital has a credible plan to correct underperformance at BHE:

- Install a rigorous, disciplined approach to capital allocation;
- Work with outside consultants to increase and accelerate the pursuit of working capital efficiencies;
- Align executive compensation with shareholders;
- Increase transparency, align financial reporting with peers, and increase analyst coverage;
- Add new, highly qualified board members aligned with shareholders: Robert K. Gifford, Jeffrey S. McCreary, and Brendan B. Springstubb.

IT IS TIME INCUMBENT DIRECTORS ARE HELD ACCOUNTABLE

BHE's long-term underperformance, flawed incentive compensation structure, and unsophisticated approach to capital allocation are, in our view, symptoms of ossified incumbent directors who have failed in their duty to represent shareholders' interests. Our highly-qualified candidates, who are fully aligned with shareholders' interests, bring the necessary skills and expertise to fix BHE's inefficient working capital, bring discipline to capital allocation, and would work diligently to correct management's flawed incentive compensation program and improve investor communications. Vote today to let the Board know: "The time for change is now!"

**VOTE THE BLUE PROXY FOR OUR HIGHLY QUALIFIED SLATE OF DIRECTORS TO CREATE VALUE AT  
BENCHMARK ELECTRONICS**

If you have any questions, or require assistance with your vote, please contact Morrow & Co., LLC, toll-free at (800) 662-5200, call direct at (203) 658-9400 or email: [engaged@morrowco.com](mailto:engaged@morrowco.com)

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About Engaged Capital:

Engaged Capital, LLC (“Engaged Capital”) was established in 2012 by a group of professionals with significant experience in activist investing in North America and was seeded by Grosvenor Capital Management, L.P., one of the oldest and largest global alternative investment managers. Engaged Capital is a limited liability company owned by its principals and formed to create long-term shareholder value by bringing an owner’s perspective to the managements and boards of undervalued public companies. Engaged Capital manages both a long-only and long/short North American equity fund. Engaged Capital’s efforts and resources are dedicated to a single investment style, “Constructive Activism” with a focus on delivering superior, long-term, risk-adjusted returns for investors. Engaged Capital is based in Newport Beach, California.

Investor Contact:

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or visit [www.adeeperbench.com](http://www.adeeperbench.com)

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SOURCE: Engaged Capital, LLC

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Item 3: The following materials were posted by Engaged Capital to [www.aeeperbench.com](http://www.aeeperbench.com):

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