

INFONET SERVICES CORP
Form DEF 14A
July 22, 2004

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
(as Permitted by Rule 14a-6(e)(2))

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Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

INFONET SERVICES CORPORATION

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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- (1) Amount Previously Paid:
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- (3) Filing Party:
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Notes:

INFONET SERVICES CORPORATION

July 22, 2004

Dear Stockholder:

You are cordially invited to attend the 2004 annual meeting of stockholders of Infonet Services Corporation to be held on September 14, 2004 at 10:00 a.m., local time, at the Manhattan Beach Marriott located at 1400 Parkview Avenue, Manhattan Beach, California 90266.

Information about the meeting and the various matters on which the stockholders will act is included in the Notice of Annual Meeting of Stockholders and Proxy Statement that follow. Also included is a Proxy Card and postage paid return envelope.

It is important that your shares be represented at the meeting. Whether or not you plan to attend, we hope that you will complete and return your Proxy Card in the enclosed envelope as promptly as possible. If you attend the annual meeting, you may, if you wish, withdraw your proxy and vote in person.

We thank you for your attention to these matters.

Sincerely,

JOSÉ A. COLLAZO

Chairman of the Board, CEO and President

INFONET SERVICES CORPORATION

2160 East Grand Avenue

El Segundo, California 90245

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held September 14, 2004

INFONET SERVICES CORPORATION: To our stockholders

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders, referred to as the Annual Meeting, of Infonet Services Corporation, a Delaware corporation, will be held at the Manhattan Beach Marriott located at 1400 Parkview Avenue, Manhattan Beach, California 90266, on September 14, 2004, at 10:00 a.m., local time, for the following purposes:

1. To elect eleven directors to serve until the annual meeting of stockholders in the year 2005 and until their successors are duly elected and qualified; and
2. To transact such other business as may properly come before the meeting or any adjournment(s) or postponement(s) of the Annual Meeting.

Following the Annual Meeting, management will report on the activities of Infonet. A discussion period is planned to provide stockholders the opportunity to ask questions and make appropriate comments.

The Board of Directors has fixed the close of business on July 16, 2004 as the record date for determining the stockholders entitled to receive notice of and to vote at the Annual Meeting or any adjournment or postponement of the meeting. A list of stockholders will be available for inspection at our offices located at 2160 East Grand Avenue, El Segundo, California 90245, at least ten days prior to the Annual Meeting.

Stockholders are cordially invited to attend the Annual Meeting in person. If you plan to be present, please notify the undersigned so that identification can be prepared for you. Whether or not you plan to attend the Annual Meeting, please execute, date and return promptly the enclosed Proxy Card. A return envelope is enclosed for your convenience and requires no postage for mailing in the United States. If you are present at the Annual Meeting you may, if you wish, withdraw your proxy and vote in person. Thank you for your interest and consideration.

By Order of the Board of Directors,

Paul A. Galleberg

Senior Vice President, General Counsel and Secretary

El Segundo, California

July 22, 2004

YOUR VOTE IS IMPORTANT. ACCORDINGLY, YOU ARE URGED TO COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING.

2160 East Grand Avenue

El Segundo, California 90245

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

SEPTEMBER 14, 2004

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Infonet Services Corporation, a Delaware corporation, of proxies from the holders of our issued and outstanding Class B common shares of stock, \$.01 par value per share (the Class B common shares) and our issued and outstanding Class A common shares of stock, \$.01 par value per share (the Class A common shares , and together with our Class B common shares, the Common Shares), to be exercised at the annual meeting of stockholders, referred to as the Annual Meeting, to be held on September 14, 2004 at the Manhattan Beach Marriott located at 1400 Parkview Avenue, Manhattan Beach, California 90266 at 10:00 a.m., local time, and at any adjournment or postponement of the meeting for the purposes set forth in the accompanying Notice of Annual Meeting. The terms Infonet , us , we and our as used in this statement refer to Infonet Services Corporation.

This proxy statement and the enclosed form of proxy are first being mailed to our stockholders on or about July 28, 2004.

At the Annual Meeting, our stockholders will be asked to consider and vote upon the following proposals:

1. To elect eleven directors to serve until the annual meeting of stockholders in the year 2005 and until their successors are duly elected and qualified; and
2. To transact such other business as may properly come before the meeting or any adjournment(s) or postponement(s) of the Annual Meeting.

Only the holders of record of our Common Shares at the close of business on July 16, 2004, referred to as the Record Date, are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof. Each Class B common share is entitled to one vote on all matters, while each Class A common share is entitled to ten votes on all matters, except that the Class B common shares, voting separately as a class, shall have the right to elect two of our directors and the Class A common shares will not vote with respect to these directors. The nominees to be elected as directors by the Class B common shares are referred to in this proxy statement as the Class B common shares nominees. As of the Record Date, 463,714,212 of our Common Shares representing 1,916,344,434 votes were outstanding, which consists of 161,403,358 of our Class A common shares outstanding representing 1,614,033,580 votes and 302,310,854 of our Class B common shares outstanding representing 302,310,854 votes. A majority of the Common Share votes outstanding at the Record Date must be represented at the Annual Meeting in person

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or by proxy to constitute a quorum for the transaction of business at the Annual Meeting, except that a majority of the Class B common shares outstanding at the Record Date must be represented at the Annual Meeting in person or by proxy to constitute a quorum for the election of the Class B common shares nominees. Abstentions and broker non-votes (i.e., shares held by a broker or nominee which are represented at the meeting, but with respect to which such broker or nominee is not instructed or authorized to vote on a particular proposal) will count toward the presence of a quorum.

The Common Shares represented by all properly executed proxies returned to us will be voted at the Annual Meeting as instructed or, if no instruction is given, they will be voted **FOR** each of our director nominees for which the stockholder executing the proxy is entitled to vote. As to any other business that properly comes before the Annual Meeting, all properly executed proxies will be voted by the persons named therein in accordance with their discretion. We do not presently know of any other business that may properly come before the Annual Meeting. Any record holder giving a proxy has the right to revoke it at any time before it is exercised at the Annual Meeting: (a) by filing with our Secretary a duly signed revocation or a proxy bearing a later date or (b) by electing to vote in person at the Annual Meeting. Mere attendance at the Annual Meeting will not revoke a proxy.

Please note that if your shares are held of record by a broker, bank or other nominee, and you decide to attend and vote at the Annual Meeting, your vote in person at the Annual Meeting will not be effective unless you have obtained and present a proxy issued in your name from the record holder, your broker. If your shares are held in the name of a broker, bank or other nominee, you may change your vote by submitting new voting instructions to your bank, broker or other record holder.

If the Annual Meeting is postponed or adjourned for any reason, at any subsequent reconvening of the Annual Meeting all proxies will be voted in the same manner as those proxies would have been voted at the original convening of the Annual Meeting (except for any proxies that were effectively revoked or withdrawn prior to the reconvened Annual Meeting).

We will bear the cost of soliciting proxies from our stockholders. In addition to solicitation by mail, our directors, officers and employees may solicit proxies by telephone, electronic mail or otherwise. Those directors, officers and employees of Infonet will not be additionally compensated for any solicitation, but may be reimbursed for out-of-pocket expenses incurred in connection with the solicitation. Brokerage firms, fiduciaries and other custodians who forward soliciting material to the beneficial owners of Common Shares held of record by them will be reimbursed for their reasonable expenses incurred in forwarding the material.

Our Class B common shares are traded on the New York Stock Exchange, or NYSE, under the ticker symbol IN. On July 16, 2004, the closing price for our Class B common shares on the NYSE was \$1.60 per share.

Only one copy of this proxy statement is being delivered to multiple holders of our Common Shares who share an address, unless we have received contrary instructions from one or more of such holders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement to a holder of Common Shares at a shared address to which a single copy of this proxy statement was delivered. Security holders that wish to make such a request, or wish to receive a separate proxy statement in the future, should write to us at our principal executive offices at 2160 East Grand Avenue, El Segundo, California 90245, Attn: Investor Relations or call (310) 335-2181. If you share an address with another holder of Common Shares and are receiving multiple copies of this proxy statement you may also contact us to request that we deliver a single copy of future proxy statements and annual reports.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROXY STATEMENT. IF ANY REPRESENTATION OR INFORMATION IS GIVEN OR MADE, YOU MUST NOT RELY ON THAT INFORMATION AS HAVING BEEN AUTHORIZED BY US AND THE DELIVERY OF THIS PROXY STATEMENT UNDER NO CIRCUMSTANCES SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF INFONET SINCE THE DATE HEREOF.

The date of this proxy statement is July 22, 2004.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our restated certificate of incorporation provides that the authorized number of directors will be between seven and twelve, with the exact number to be determined by a majority of our Board of Directors, or Board. Our Board has set the authorized number of directors on our Board at eleven.

Under our stockholders agreement with holders of our Class A common shares, referred to as our stockholders agreement, each of the six holders of our Class A common shares is currently entitled to designate one director to be nominated to serve on our Board. These holders have also agreed to vote their Class A common shares in favor of the directors designated by the other holders of Class A common shares and for our president, currently José A. Collazo, as a director. Accordingly, each holder of our Class A common shares is committed to vote all of its Common Shares in favor of the election of seven of our eleven directors. See *Certain Relationships and Related Transactions* Stockholders Agreement for more information regarding our stockholders agreement. Pursuant to the stockholders agreement, our current directors John Allerton, Eric M. de Jong, Per-Eric Fylking, Yuzo Mori, Hanspeter Quadri and José Manuel Santero have been designated as nominees for re-election at the annual meeting by Telstra Corporation Limited, KPN Telecom B.V., TeliaSonera AB, KDDI Corporation, Swisscom AG and Telefónica International Holding B.V., respectively.

Our Board has nominated each of our eleven current directors for re-election to the Board. Our restated certificate of incorporation reserves two independent directors for election by the Class B common shares voting alone. Timothy P. Hartman and Matthew J. O'Rourke have been nominated as such independent directors, and are referred to as the Class B common shares nominees. The remaining nine director nominees are elected by the Class A common shares and Class B common shares voting together, and are referred to as the Common Shares nominees. At each annual meeting of stockholders, nominees are elected to serve until the next annual meeting of stockholders. Our directors may be removed, with or without cause, by the affirmative vote of the holders of two-thirds of the voting power of the then outstanding Class A common shares and Class B common shares, voting together as a single class.

Except where otherwise instructed, proxies solicited by this proxy statement will be voted FOR the election of each of the Board's nominees listed below for which the stockholders executing the proxies are entitled to vote.

Each nominee has consented to be named in this proxy statement and to serve as a director if elected. The following information relating to the nominees for election as director has been furnished to us by the respective individuals. There are no family relationships among any of our directors and executive officers.

Nominees for Director

| <u>Name</u> | <u>Age</u> | <u>Title</u> |
|---------------------|------------|---|
| José A. Collazo | 60 | President, Chief Executive Officer, Chairman of the Board of Directors, Common Shares nominee |
| John Allerton | 47 | Director, Common Shares nominee |
| Bruce A. Beda | 63 | Director, Common Shares nominee |
| Eric M. de Jong | 55 | Director, Common Shares nominee |
| Per-Eric Fylking | 65 | Director, Common Shares nominee |
| Peter G. Hanelt | 59 | Director, Common Shares nominee |
| Timothy P. Hartman | 65 | Director, Class B common shares nominee |
| Yuzo Mori | 48 | Director, Common Shares nominee |
| Matthew J. O'Rourke | 66 | Director, Class B common shares nominee |
| Hanspeter Quadri | 50 | Director, Common Shares nominee |
| José Manuel Santero | 37 | Director, Common Shares nominee |

José A. Collazo has served as our President, Chief Executive Officer and Chairman of the Board since our incorporation in 1988. From 1967 to 1988, Mr. Collazo held several management positions at Computer Sciences Corporation, an information technology service provider, including President of the International Division and head of global network services. Mr. Collazo is on the Pepperdine University Board of Regents.

John Allerton has been a member of our Board since May 2003. He is currently Managing Director, Corporate Development of Telstra Corporation Limited, an Australian telecommunications company and one of our major stockholders, where he has been employed since July 2001. Mr. Allerton was a Partner with the accounting firm of Ernst & Young and then with the accounting firm of KPMG, LLP from 1998 to June 2001.

Bruce A. Beda has been a member of our Board since August 2003. Mr. Beda has been the Chief Executive Officer of Orion Partners, LLC, a private investment and consulting company, since 1996 and the Chief Executive Officer of Kilbourn Capital Management, LLC, a financial asset manager, since 2001. Mr. Beda also serves on the Board of Directors and as the Chairman of the Audit Committee of Stifel Financial Corp., a financial services company.

Eric M. de Jong has been a member of our Board since 1999. Since 2001, he has served as the Director International Participations of Royal KPN N.V., a Dutch telecommunications company and an affiliate of one of our major stockholders. Prior to this time, he was Director Partnership Management of KPN International, Director of Strategy and Director of KPN in charge of the telecommunications development of the Amsterdam airport area. Mr. de Jong is, among others, a member of the Supervisory Board of AUCS (see Certain Relationships and Related Transactions Commercial Contracts with Related Parties); a member of the Supervisory Board of Xantic B.V., a privately held Dutch satellite communications company; Chairman of the Board of Directors of Pantel RT, a privately held telecommunications company; and was until early March 2004, a member of the Board of Directors of People's Telephone Company Ltd., a privately held mobile communications company.

Per-Eric Fylking has been a member of our Board since August 2002. In 2000, Mr. Fylking retired from Telia AB, a Swedish telecommunications company that was, both before and after its merger in 2002 with Finnish telecommunications company Sonera AB, one of our major stockholders. From 1995 to 2000, he was the head of mergers and acquisitions for, and a director of, Telia A