2018 Annual Report

Intelligence of Things™

flex

To Our Shareholders:

While fiscal 2018 marked a return to revenue growth for Flex, it also reflected challenges we faced in transforming our business. Our revenue grew 7% year-over-year to $25.4 billion fueled by strong demand in the automotive, industrial, and energy markets. Despite the revenue growth, our adjusted operating profit declined 3.6% to $786 million. Our biggest challenge operationally and financially was our investment in our NIKE® business and the associated losses we absorbed of just over $70 million. This impact drove the entire reduction of our annual adjusted EPS from a record $1.17 in fiscal 2017 to $1.09 in fiscal 2018. Despite this underperformance, key fundamental levers remained solidly intact as our High Reliability Solutions (HRS) and Industrial and Emerging Industries (IEI) businesses hit record revenue and adjusted operating profit performance in fiscal 2018. Our business also continues to generate sustainable free cash flow. While fiscal 2018 free cash flow of $236 million was below our average over the past ten years due to elevated investment levels, we see improvement in fiscal 2019 and beyond. We are committed to managing, operating, and investing in our business to deliver meaningful long-term earnings growth. We remain fully committed to our capital allocation program, and our continued intention to return greater than 50% of our annual free cash flow to shareholders, as we have done over the last six-plus years.

Our Evolution

Over the past several years, Flex has successfully established itself as the *Sketch-to-Scale*® solutions provider that designs and builds *Intelligent Products for a Connected World*®, providing competitive advantage to our customers, as industries and technologies converge in the Age of Intelligence™.

The world continues to change at a rapid pace and so do the supply chains that power it. In the Age of Intelligence, selling a stand-alone product is not enough. Today's successful products create value through the interconnected hardware and software solutions that are growing and flourishing all around us, connecting products with infrastructure and communities at a constantly accelerating rate. We have long recognized these important trends and, accordingly, have been investing in the Flex Platform with new capabilities focused on helping our customers to innovate and compete in a disruptive and rapidly changing world.

At Flex, with our unique multi-industry expertise, we help our customers grow and thrive in this new world by providing expertise, innovation, and insight drawn from beyond the traditional boundaries and scope of any single industry. Our solutions span healthcare, automotive, industrial, home appliances, capital equipment, networking, telecom, cloud data center, energy storage, connected living, enterprise compute, mobile, apparel, building and construction, and more – providing vertical depth and horizontal breadth that cannot be easily matched.

The Flex Platform Enables Three Important Value Creation Levers

Portfolio Evolution

We are continuing our portfolio evolution, resulting in a more balanced set of businesses. The HRS and IEI groups' contribution to total revenue over time continues to increase, growing from 15% in fiscal 2007, to 28% in fiscal 2013, to an impressive 43% in fiscal 2018. We have successfully diversified our portfolio, achieving substantial scale in our IEI and HRS businesses with corresponding higher margins and longer product life cycles. Importantly, HRS and IEI are now significant contributors substantially to our earnings with a combined contribution of approximately 68% of adjusted operating profit dollars in fiscal 2018, reflecting the richness of these businesses.

Sketch-to-Scale®

As our customers continue to recognize our increasing value as an innovation partner, a growing percentage of them are coming to rely on our supply chain solutions earlier in their product lifecycles. The strategic value we bring to the table is reflected in the steady growth of *Sketch-to-Scale* engagements as a percentage of total revenue. *Sketch-to-Scale* business comprised just 7% of revenue in fiscal 2013, growing to 27% in fiscal 2018, and is projected to hit 40% by fiscal 2020. A clear endorsement of our *Sketch-to-Scale* strategy is evidenced by our strong new bookings across all four business groups, which position us well for sustained organic revenue growth and increased margins over time.

Platform Enabled Opportunities

At our recent Investor & Analyst Day we spoke about how the Flex Platform is enabling multiple high-value opportunities that have taken the form of several businesses we have created such as Elementum, YTWO Formative, and BrightInsight. These businesses are in their early stages and have four things in common:

- they leverage our Platform capabilities,
- they position Flex at a more strategic level with our customers and partners,
- they create "pull through" for core Flex revenue,
- and they create equity upside that can benefit Flex shareholders.

You can expect more detailed information about the progress and financial impact of these businesses over the coming quarters.

Internal Controls

This year, our Audit Committee conducted an independent investigation relating to the accounting treatment of customer obligations and certain related reserves. The Company, working with its independent registered public accounting firm, identified material weaknesses in our internal controls over financial reporting which could, if not remediated, result in material misstatements in our financial statements. I assure you that I and the entire Flex enterprise take this assessment very seriously. We are taking diligent and swift actions to resolve and remediate the weaknesses. We will drive accountability on all levels of our organization to achieve further improvement.

In Summary

We are in possession of a powerful platform and a strong competitive position. We will continue to improve and invest in our platform to provide uncommon value to our customers. Our fiscal 2018 yielded record bookings which will drive exceptional revenue growth, and as a result we are very focused on ensuring solid execution and the expansion of our earnings.

Our objectives are to create value for our customers, to provide a great place to work for our employees, and to provide a strong return to our shareholders.

Sincerely,

Mike McNamara
Chief Executive Officer

FLEX LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number 199002645H)

To Our Shareholders:

On August 16, 2018, we will hold our 2018 annual general meeting of our shareholders at our offices located at 6201 America Center Drive, San Jose, CA 95002, U.S.A. Our 2018 annual general meeting of shareholders will begin at 9:00 a.m., Pacific time.

The matters to be voted upon at the meeting are listed in the notice that follows this letter and are described in more detail in the accompanying proxy statement. We urge you to read the entire proxy statement carefully before voting. Part I of the accompanying proxy statement provides general information about the meeting, Part II describes the proposals to be voted upon at the 2018 annual general meeting of shareholders and related information, and Part III provides additional information, including information about our named executive officers and their compensation.

IMPORTANT NOTICE REGARDING ELECTRONIC AVAILABILITY OF PROXY STATEMENT AND ANNUAL REPORT:

We have elected to provide access to our proxy materials to our shareholders by notifying them of the availability of our proxy materials on the Internet. On or about July 5, 2018, we will mail to most of our shareholders (including all of our registered shareholders) a Notice of Availability of Proxy Materials on the Internet (referred to as the Notice) containing instructions on how to access this proxy statement and our annual report and to submit their proxies via the Internet. Instructions on how to request a printed copy of our proxy materials may be found in the Notice.

You may revoke your proxy at any time prior to the time it is voted. Shareholders 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.

Sincerely,

Regina

Tay Hong Chin Regina
Company Secretary
Singapore
July 5, 2018

FLEX LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number 199002645H)

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held on August 16, 2018

To Our Shareholders:

You are cordially invited to attend, and NOTICE IS HEREBY GIVEN of, the annual general meeting of shareholders of FLEX LTD. ("Flex" or the "Company"), which will be held at our offices located at 6201 America Center Drive, San Jose, CA 95002, U.S.A., at 9:00 a.m., Pacific time, on August 16, 2018, for the following purposes:

- To re-elect the following directors: Lay Koon Tan and Jennifer Li (*Proposal Nos. 1 and 2*);
- To approve the re-appointment of Deloitte & Touche LLP as our independent auditors for the 2019 fiscal year and to authorize the Board of Directors, upon the recommendation of the Audit Committee, to fix their remuneration (*Proposal No. 3*);
- To approve a general authorization for the Directors of Flex to allot and issue ordinary shares (*Proposal No. 4*);
- To hold a non-binding, advisory vote on executive compensation (*Proposal No. 5*); and
- To approve a renewal of the Share Purchase Mandate permitting Flex to purchase or otherwise acquire its own issued ordinary shares (*Proposal No. 6*).

The full text of the resolutions proposed for approval by our shareholders is as follows:

As Ordinary Business

1. To re-elect Mr. Lay Koon Tan, who will retire by rotation pursuant to Article 94 of our Constitution, to the Board of Directors.
2. To re-elect to the Board of Directors Ms. Jennifer Li, who was appointed as a director by the Board of Directors effective as of January 8, 2018, and who will cease to hold office pursuant to Article 100 of our Constitution.
3. To consider and vote upon a proposal to re-appoint Deloitte & Touche LLP as our independent auditors for the fiscal year ending March 31, 2019, and to authorize our Board of Directors, upon the recommendation of the Audit Committee of the Board of Directors, to fix their remuneration.

As Special Business

The full text of the resolutions proposed for approval by our shareholders is as follows:

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

"RESOLVED THAT, pursuant to the provisions of Section 161 of the Singapore Companies Act, Cap. 50, but subject otherwise to the provisions of the Singapore Companies Act, Cap. 50 and our Constitution, authority be and is hereby given to our Directors to:

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

(ii) make or grant offers, agreements or options that might or would require ordinary shares in our capital to be allotted and issued, whether after the expiration of this authority or otherwise (including but not limited to the creation and issuance of warrants, debentures or other instruments convertible into ordinary shares in our capital),

at any time to and/or with such persons and upon such terms and conditions and for such purposes as our Directors may in their absolute discretion deem fit, and with such rights or restrictions as our Directors may think fit to impose and as are set forth in our Constitution; and

(b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) allot and issue ordinary shares in our capital in pursuance of any offer, agreement or option made or granted by our Directors while this resolution was in force,

and that such authority shall continue in force until the conclusion of our next annual general meeting or the expiration of the period within which our next annual general meeting is required by law to be held, whichever is the earlier."

5. To consider and put to a non-binding, advisory vote the following non-binding, advisory resolution:

"RESOLVED THAT, the shareholders of Flex approve, on a non-binding, advisory basis, the compensation of the Company's named executive officers, as disclosed pursuant to Item 402 of SEC Regulation S-K, including the Compensation Discussion and Analysis and the compensation tables and related disclosures contained in the section of the accompanying proxy statement captioned 'Executive Compensation'."

This resolution is being proposed to shareholders as required pursuant to Section 14A of the U.S. Securities Exchange Act of 1934, as amended. The shareholders' vote on this resolution is advisory and non-binding in nature, will have no legal effect and will not be enforceable against Flex or its Board of Directors.

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

"RESOLVED THAT:

(a) for the purposes of Sections 76C and 76E of the Singapore Companies Act, Cap. 50, the exercise by our Directors of all of our powers to:

(i) purchase or otherwise acquire issued ordinary shares in the capital of the Company not exceeding in aggregate the number of issued ordinary shares representing 20% of the total number of issued ordinary shares outstanding as of the date of the passing of this Resolution (excluding any ordinary shares which are held as treasury shares as at that date) at such price or prices as may be determined by our Directors from time to time up to the maximum purchase price described in paragraph (c) below, whether by way of:

(A) 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

(B) 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 Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Singapore Companies Act, Cap. 50, and otherwise in accordance with all other laws and 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 as may be applicable, be and is hereby authorized and approved generally and unconditionally;

(b) unless varied or revoked by our shareholders in a general meeting, the authority conferred on our Directors pursuant to the mandate contained in paragraph (a) above may be exercised by our Directors 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 next annual general meeting is held; or

(ii) the date by which our next annual general meeting 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 an ordinary share, 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 may for the time being be listed and quoted, or shall not exceed any volume weighted average price, or other price determined under any pricing mechanism, permitted under SEC Rule 10b-18, 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, which means the closing price 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 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 all such acts and things (including executing such documents as may be required) as they and/or he or she may consider expedient or necessary to give effect to the transactions contemplated and/or authorized by this resolution."

Notes

Singapore Financial Statements. At the 2018 annual general meeting, our shareholders will have the opportunity to discuss and ask any questions that they may have regarding our Singapore audited financial statements for the fiscal year ended March 31, 2018, together with the directors' statement and auditors' report thereon, in compliance with Singapore law. Shareholder approval of our audited financial statements is not being sought by this proxy statement and will not be sought at the 2018 annual general meeting.

Eligibility to Vote at Annual General Meeting; Receipt of Notice. The Board of Directors has fixed the close of business on June 15, 2018 as the record date for determining those shareholders of the Company who will be entitled to receive copies of this notice and accompanying proxy statement. However, all shareholders of record on August 16, 2018, the date of the 2018 annual general meeting, will be entitled to vote at the 2018 annual general meeting.

Quorum. Representation of at least 33-1/3% of all outstanding ordinary shares of the Company is required to constitute a quorum to transact business at a general meeting of our shareholders.

Proxies. A shareholder entitled to attend and vote at the 2018 annual general meeting is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not also be a shareholder. **Whether or not you plan to attend the meeting, we encourage you to vote promptly. You may vote your shares through one of the methods described in the enclosed proxy statement. A proxy card submitted by mail must be received by Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717 not less than 48 hours before the time appointed for holding the 2018 annual general meeting. Please review the instructions on the proxy card and Notice of Availability of Proxy Materials regarding the submission of proxies via the Internet.** You may revoke your proxy at any time prior to the time it is voted. Shareholders 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.

Availability of Proxy Materials on the Internet. We are pleased to take advantage of Securities and Exchange Commission rules that allow issuers to furnish proxy materials to some or all of their shareholders on the Internet. The Constitution of the Company (the Constitution) was amended in 2016 to align with the provisions under the Singapore Companies Act, Cap. 50, which allow and facilitate the posting of proxy materials on the Internet at our designated website. 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. On or about July 5, 2018, we will mail to most of our shareholders (including all of our registered shareholders) a Notice of Availability of Proxy Materials on the Internet containing instructions on how to access this proxy statement and our annual report and to submit their proxies via the Internet.

Disclosure Regarding Share Purchase Mandate Funds. Only funds legally available for purchasing or acquiring our issued ordinary shares in accordance with our Constitution and the applicable laws of Singapore will be used for the purchase or acquisition by us of our own issued ordinary shares pursuant to the proposed renewal of the Share Purchase Mandate referred to in this notice. We intend to use our internal sources of funds and/or borrowed funds to finance the purchase or acquisition of our issued ordinary shares. The amount of financing required for us to purchase or acquire our issued ordinary shares, and the impact on our financial position, cannot be ascertained as of the date of this notice, as these will depend on, among other things, the number of ordinary shares purchased or acquired and the price at which such ordinary shares are purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled. Our net tangible assets and the consolidated net tangible assets of the Company and its subsidiaries will be reduced by the purchase price (including any expenses) of any ordinary shares purchased or acquired and cancelled or held as treasury shares. 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 financial condition and cash flows.

Personal Data Privacy. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2018 annual general meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by us (or our agents or service providers) for the purpose of the processing, administration and analysis by us (or our agents or service providers) of proxies and representatives appointed for the 2018 annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2018 annual general meeting (including any adjournment thereof), and in order for us (or our agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to us (or our agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by us (or our agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify us in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

By order of the Board of Directors,

Tay Hong Chin Regina
Company Secretary
Singapore
July 5, 2018

You should read the entire proxy statement carefully prior to returning your proxy card or otherwise submitting your proxy appointment through electronic communications in the manner set out in this proxy statement.

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual General Meeting of Shareholders to Be Held on August 16, 2018. This notice of annual general meeting and the accompanying proxy statement and our annual report to shareholders are available on our website at *https://investors.flex.com/financials*.

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ELECTRONIC DELIVERY OF OUR SHAREHOLDER COMMUNICATIONS

We have elected to provide access to our proxy materials to our shareholders by notifying them of the availability of our proxy materials on the Internet. On or about July 5, 2018, we will mail to most of our shareholders (including all of our registered shareholders) a Notice of Availability of Proxy Materials on the Internet (referred to as the Notice) containing instructions on how to access this proxy statement and our annual report and to submit their proxies via the Internet. If you hold your shares through a broker, bank or other nominee, rather than directly in your own name, your intermediary will either forward to you printed copies of the proxy materials or will provide you with instructions on how you can access the proxy materials electronically. For beneficial holders and registered shareholders who receive a Notice, instructions on how to request a printed copy of our proxy materials may be found in the Notice.

FLEX LTD.

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding the Company's 2018 fiscal year performance, please review the Company's 2018 Annual Report.

2018 Annual General Meeting of Shareholders

Time and Date: 9:00 a.m. Pacific time, August 16, 2018

Place: 6201 America Center Drive, San Jose, CA 95002, U.S.A.

Record Date: June 15, 2018

Voting: All shareholders as of the meeting date are entitled to vote. Each ordinary share is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on.

Voting Matters at the Annual General Meeting

Proposal Number	Matter	Board Vote Recommendation	Page Reference
Proposal Nos. 1 and 2	Re-election of the following directors: Lay Koon Tan, Jennifer Li	FOR each Director Nominee	11
Proposal No. 3	Re-appointment of Deloitte & Touche LLP as our independent auditors for the fiscal year ending March 31, 2019	FOR	30
Proposal No. 4	General authorization to allot and issue ordinary shares	FOR	34
Proposal No. 5	Advisory vote on executive compensation	FOR	36
Proposal No. 6	Authorization to repurchase ordinary shares	FOR	39

How to Cast Your Vote

Your vote is important. You may vote in person at the meeting or by appointing a proxy in accordance with your instructions and we encourage you to vote using any of the below methods:

Vote In Person:
You may choose to vote in person at the meeting. If you are a beneficial holder who holds your shares through a bank, broker or other nominee and you choose to vote in person at the meeting, you must request a "legal proxy." To do so, please follow the instructions from your bank, broker or other nominee at www.proxyvote.com. You may also request a paper copy of the materials, which will contain the appropriate instructions.

Vote by Proxy:

Submit Your Proxy via the Internet

at *www.proxyvote.com*
Have the information that is printed in the box marked by the arrow (located on the Notice) available and follow the instructions. If you are a beneficial holder who owns your shares through a bank, broker or other nominee, the availability of Internet submission of proxies may depend on the voting process of the organization that holds your shares.

Submit Proxy by Mail

by returning the signed Proxy card (or, if you do not have a proxy card, by requesting a paper copy of the materials).

Board Nominees (page 13)

The following table provides summary information about each Director nominee standing for re-election to the Board.

Name	Director Since	Independent (Yes/No)	Committee Memberships	Other Public Company Boards
Jennifer Li	2018	Yes	—	**Philip Morris International Inc.** **ABB Ltd.**
Lay Koon Tan . .	2012	Yes	Compensation Committee	—

Fiscal Year 2018 Highlights (page 47)

Business Overview

We are a globally-recognized provider of *Sketch-to-Scale*® services—innovative design, engineering, manufacturing and supply chain services and solutions—from conceptual sketch to full-scale production. We design, build, ship and service complete packaged consumer and enterprise products, from athletic shoes to electronics, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

Segment	Product Categories
Communications & Enterprise Compute (CEC)	• Telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; • Networking business, which includes optical, routing, broadcasting, and switching products for the data and video networks; • Server and storage platforms for both enterprise and cloud-based deployments; • Next generation storage and security appliance products; and • Rack level solutions, converged infrastructure and software-defined product solutions.

Segment	Product Categories
Consumer Technologies Group (CTG)	• Consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion and apparel, and mobile devices; and • Various supply chain solutions for notebook personal computers, tablets, and printers.
Industrial and Emerging Industries (IEI)	• Energy including advanced metering infrastructure, energy storage, smart lighting, electric vehicle infrastructure, smart solar energy, semiconductor and capital equipment, office solutions, industrial, home and lifestyle, industrial automation, and kiosks.
High Reliability Solutions (HRS)	• Health solutions business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; and • Automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies.

Over the past several years, Flex has embarked on a long-term strategy focused on portfolio evolution and driving higher value-added services that align with our customers' needs and requirements in order to improve operating and financial results, including improving profit margins, generating sustainable cash flow, and producing solid returns on invested capital. As we have continued to evolve our portfolio and *Sketch-to-Scale*® strategy, we also remain thoughtful around how we are allocating capital in order to capture future profitable growth as we expand into new businesses and markets. Our revenue growth momentum is being fueled by continued receptivity from customers that recognize and take advantage of our unique scale and cross-industry integrated solutions, providing us with consistent operating cash flow that enables us to operate, invest, and grow our business. We continue to improve and expand our design capabilities and reference platforms for new products and markets, which are leading to many new customer and business opportunities. These strategic efforts have provided us with strong year-over-year revenue growth and record high adjusted operating profits for our IEI and HRS businesses. Our strategic partnership with Nike, which provides us with access to a significant market expansion outside of our core electronics focus, has not yet generated our targeted operating margin and hence has had the effect of depressing overall margins. Fiscal year 2018 was an important investment year for Flex on multiple fronts in addition to Nike, as we positioned the Company to be faster, more responsive, and adaptive. Our investments in the future positioned us well to capture enhanced top-line growth in fiscal year 2018 and we anticipate the investments will lead to continued improvements in revenue, adjusted operating profit, and adjusted EPS in the year to come.

Performance Highlights For Fiscal Year 2018

We achieved overall top-line growth from expanding our *Sketch-to-Scale*® strategy while also pursuing an aggressive period of strategic capital expenditures and business realignment. This fiscal year 2018 growth was strongest in our higher margin and higher complexity IEI and HRS segments, where year-over-year revenue growth was 20% and 15%, respectively. This growth is critical to our financial optimization as these segments drive better visibility and longer product life cycles. As expected, revenue declined in our CEC segment as legacy businesses continued to shrink while being partially offset by growth from new areas such as cloud data center and converged products. CTG segment revenues were up nearly 10%, while fiscal year 2018 adjusted operating margins declined due to investments and losses from our Nike strategic partnership. Our increased level of capital expenditures and net working capital have pressured our cash flow. Fiscal year 2018 highlights[(1)] include:

- We achieved net sales of $25.4 billion, an increase of 7% compared to the prior year. In addition, through the end of fiscal year 2018, we have delivered five straight quarters of year-over-year revenue growth.

(1) Adjusted operating profit, adjusted earnings per share, adjusted gross profit, adjusted gross margin and free cash flow are non-GAAP financial measures, and we are including our 2018 results for these measures to show an aspect of our performance. Annex A to this proxy statement contains reconciliations of these measures to the most directly comparable GAAP financial measures.

- Adjusted operating profit was $786.5 million, a 3.5% decrease as compared with fiscal year 2017.
- We delivered adjusted earnings per share (EPS) of $1.09 per share, a 6.8% decrease as compared with the prior year.
- Adjusted gross profit totaled $1.7 billion, an increase of 1.9% compared to the prior year.
- Adjusted gross margin was 6.7% of net sales in fiscal year 2018, compared with 7.0% of net sales in fiscal year 2017.
- We generated operating cash flows of $753.6 million during the year. The cash flow generated from our operations enabled us to return value to shareholders with the repurchase of $180.0 million of our shares in fiscal year 2018.
- We realized free cash flow of $236.4 million which was down from the prior year primarily due to higher capital expenditures of $517.2 million, higher working capital usage, and lower overall profitability.

With the above results, we had a fiscal year 2018 total shareholder return (TSR) that was well below our expectations, though we have delivered TSR of nearly 29% over the past three fiscal years, which approximates the median of the firms that were in the S&P 500 over the same time period. Over the last five years, we have generated TSR of over 140%, which is in the top quartile of the S&P 500.

Executive Compensation Highlights (page 49)

Pay and Performance Alignment For Fiscal Year 2018

Our compensation philosophy is to reward above-target performance when achieved, and pay zero or below target when targeted results are not delivered.

Highlights include:

- We maintained all NEOs' base salaries with no increase, positioned in the aggregate at approximately the peer group median.
- In light of overall Company performance and in accordance with the Company's governance principles, the Board exercised its discretion to reduce to zero the fourth quarter fiscal 2018 incentive bonus payouts for our NEOs, with the exception of Mr. Humphries, resulting in annual incentive bonus payouts at 89.3% of target for the NEOs (except for Mr. Humphries, who earned 159.2% of target driven by exceptional results in the HRS business). Additionally, performance share unit (PSU) and service-based restricted share unit (RSU) awards granted to the NEOs on June 19, 2018 were reduced by 15%.
- We paid out the long-term PSU cycle during fiscal year 2018 at 200% of target in June 2017 based upon TSR results that were at the 81st percentile over the three-year performance cycle that began in June 2014, which exceeded the maximum level of the performance goal range. The Flex three-year free cash flow (FCF) PSU and long-term cash incentive cycle paid out at 73.9% of target, reflecting Flex's more aggressive operating targets and the shift towards an investment strategy in fiscal year 2018.
- We funded the NEOs' deferred compensation plans with a value that averaged 26.3% of our NEOs' respective base salaries based on fiscal year 2018 results.
- We continued to use fiscal year 2018 long-term incentive grants that balance relative TSR PSUs with a long-term incentive plan (LTIP) that measures cumulative FCF over a multi-year period (from fiscal year 2018 through fiscal year 2020).

Corporate Governance Highlights

The Company is committed to maintaining sound corporate governance practices. Below are some of the highlights of the Company's corporate governance practices:

Director Independence	• 8 out of 9 of our directors, and all of the Board nominees for re-election, are independent. • Our independent directors regularly meet in private executive sessions without management present. • The Chairman of the Board is independent, and the Board has separated the roles of Chairman and CEO since 2003. • All committees of the Board are comprised exclusively of independent directors.
Director Retirement by Rotation	• Article 94 of our Constitution requires that at each annual general meeting one-third of the Company's directors (or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors) are required to retire from office and are then eligible for re-election at such annual general meeting. • On July 2, 2018, the Company announced that, following a review of corporate governance practices and trends, the Board of Directors has determined to "de-classify" its Board in accordance with Singapore law to enable all directors to stand for election at each subsequent annual general meeting of the Company, with such annual elections of the full Board commencing at the Company's annual general meeting to be held in 2019. The Company will call an extraordinary general meeting of the shareholders of the Company prior to the 2019 annual general meeting to obtain the approval of the Company's shareholders to amend the Company's Constitution accordingly and elect all directors annually, rather than through "staggered" retirement by rotation.
Majority Voting Standard	• The Company has a majority voting standard for the election of directors.
Board and Committee Practices and Accountability	• The Board of Directors and its committees conduct annual self-evaluations and the Board and its committees routinely evaluate the experiences, qualifications, skills, and attributes of the Board/committee members.

Changes to the Board of Directors & Board Committees	• In January 2018, the Board elected a new independent director, Ms. Jennifer Li, who brings to the Board financial, operational, and technology industry experience both internationally and, particularly, in China and adds further diversity to the Board. • Mr. Daniel Schulman, who is retiring by rotation pursuant to Article 94 of our Constitution, has decided not to stand for re-election due to other time commitments and will be retiring from the Board effective as of the conclusion of the 2018 annual general meeting. • Effective as of the date of the 2018 annual general meeting, Mr. Watkins has been appointed the Chairman of the Compensation Committee and as a member of the Nominating and Corporate Governance Committee. In addition, effective as of the date of the 2018 annual general meeting, Mr. Watkins will rotate off the Audit Committee and Ms. Li has been appointed as a member of the Audit Committee. • We believe that the rotation of membership on our Board committees further enhances the functioning of our Board committees.
Sustainability Practices	• Sustainability is important to the Company and our governance principles, and forms a core part of our business operations. Through innovation and smart technologies, the Company seeks to positively impact people and the environment with our sustainable solutions. • Since 2015, the Company's sustainability program has encompassed global corporate citizenship and is focused on five cornerstones: people, community, environment, innovation, and integrity. • The Company's sustainability strategy and global efforts are aligned with the United Nations Global Compact (UNGC) Principles (as participant of the UNGC since 2018) and the 2030 Sustainable Development Goals (SDGs). • Further information can be found in our annual sustainability reports, as well as our "Flex 20 by 2020" bi-annual report published on flex.com/sustainability.
Shareholder Engagement	• The Company is committed to ongoing shareholder engagement. During fiscal year 2018, management interacted with holders of approximately 93% of our share voting power.
Director Share Ownership Requirements	• In 2009, the Board of Directors adopted share ownership guidelines for our non-employee directors. The share ownership guidelines encourage our non-employee directors to hold a minimum number of our ordinary shares equivalent to four (4) times the annual cash retainer provided to non-employee directors. All of our non-employee directors have already met the minimum requirements of the share ownership guidelines or are on target to be in compliance with the requirements of the guidelines.

Board Oversight of Risk Management	• The Board is responsible for overseeing the Company's risk management. As part of this oversight, the Board reviews the Company's policies and practices with respect to risk assessment and risk management, including discussing with management the Company's major risk exposures and the steps that have been taken to monitor and mitigate such exposures. Each Board committee is responsible for oversight of risk management practices for categories of risks relevant to its functions.
Hedging/Pledging Prohibitions	• We do not allow hedging or short sales of Company equity, nor do we permit pledging of Company equity as collateral for loans.

Audit Committee Investigation Completed

The Audit Committee of the Company's Board of Directors, with the assistance of independent outside counsel, undertook an independent investigation relating to the accounting treatment of customer obligations and certain related reserves. The Audit Committee has completed its investigation. The Company, working with its independent registered public accounting firm, identified and the Audit Committee concurred with such identification, material weaknesses in our internal control over financial reporting which could, if not remediated, result in material misstatements in our financial statements. The Company has undertaken, and will continue to undertake, steps to improve our internal control over financial reporting to address and remediate the material weaknesses.

FLEX LTD.

PROXY STATEMENT

FOR THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held on August 16, 2018
9:00 a.m. (Pacific time)

Annual general meeting to be held at our offices
6201 America Center Drive
San Jose, CA 95002, U.S.A.

PART I—INFORMATION ABOUT THE MEETING

We are furnishing this proxy statement in connection with the solicitation by our Board of Directors of proxies to be voted at the 2018 annual general meeting of our shareholders, or at any adjournments thereof, for the purposes set forth in the notice of annual general meeting that accompanies this proxy statement. Unless the context requires otherwise, references in this proxy statement to “Flex,” “the Company,” “we,” “us,” “our” and similar terms mean Flex Ltd. and its subsidiaries.

Proxy Mailing. The Notice of Internet Availability of Proxy Materials (which we refer to as the Notice) or the proxy materials and the enclosed proxy card were first mailed on or about July 5, 2018 to shareholders of record as of June 15, 2018.

Costs of Solicitation. The entire cost of soliciting proxies will be borne by us. Following the original mailing of the proxies and other soliciting materials, our directors, officers and employees may also solicit proxies by mail, telephone, e-mail, fax or in person. These directors, officers and employees will not receive additional compensation for those activities, but they may be reimbursed for any reasonable out-of-pocket expenses. Following the original mailing of the proxies and other soliciting materials, we will request that brokers, custodians, nominees and other record holders of our ordinary shares forward copies of the proxy and other soliciting materials to persons for whom they hold ordinary shares and request authority for the exercise of proxies. In these cases, we will reimburse such holders for their reasonable expenses if they ask that we do so. We have retained D.F. King & Co., an independent proxy solicitation firm, to assist in soliciting proxies at an estimated fee of $10,000, plus reimbursement of reasonable expenses.

Registered Office. The mailing address of our registered office is No. 2 Changi South Lane, Singapore 486123.

VOTING RIGHTS AND SOLICITATION OF PROXIES

The close of business on June 15, 2018 is the record date for shareholders entitled to notice of our 2018 annual general meeting. All of the ordinary shares issued and outstanding on August 16, 2018, the date of the annual general meeting, are entitled to be voted at the annual general meeting, and shareholders of record on August 16, 2018 and entitled to vote at such meeting will, on a poll, have one vote for each ordinary share so held on the matters to be voted upon. As of June 15, 2018, we had 530,336,306 ordinary shares issued and outstanding.

Proxies. Ordinary shares represented by proxies in the form made available in connection with this proxy statement that are properly executed and returned to us will be voted at the 2018 annual general meeting in accordance with our shareholders' instructions.

If your ordinary shares are held through a broker, a bank, or other nominee, which is sometimes referred to as holding shares in "street name," 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 other nominee will send you a voting instruction form for you to use to direct how your shares should be voted.

Quorum and Required Vote. Representation at the 2018 annual general meeting of at least 33-1/3% of all of our issued and outstanding ordinary shares is required to constitute a quorum to transact business at the annual general meeting.

- Consistent with the Company's historical practice, the chair of the 2018 annual general meeting will demand a poll in order to enable the ordinary shares represented in person or by proxy to be counted for voting purposes.
- The affirmative vote by a simple majority of the votes cast is required at the 2018 annual general meeting, to re-elect the directors nominated pursuant to Proposal Nos. 1 and 2, to re-appoint Deloitte & Touche LLP as our independent auditors pursuant to Proposal No. 3, to approve the ordinary resolution to allot and issue ordinary shares contained in Proposal No. 4, to approve the non-binding, advisory resolution regarding executive compensation contained in Proposal No. 5, and to approve the ordinary resolution to renew the Share Purchase Mandate contained in Proposal No. 6.

Under the Companies Act (Chapter 50) of Singapore, which we refer to as the "Singapore Companies Act" or the "Companies Act," and our Constitution, the shareholders may, by passing an ordinary resolution requiring the simple majority of affirmative votes of shareholders present and voting at an annual general meeting, remove an incumbent director and appoint another person as director to replace the removed director provided that such shareholders have satisfied the procedural requirements and deadlines set forth in the Companies Act and our Constitution.

Abstentions and Broker Non-Votes. Abstentions and "broker non-votes" are considered present and entitled to vote at the 2018 annual general meeting for purposes of determining a quorum. A "broker non-vote" occurs when a broker, a bank or other nominee who holds shares for a beneficial owner does not vote on a particular proposal because the broker, bank or other nominee has not received directions from the beneficial owner and does not have discretionary power to vote on that particular proposal. If a broker, bank or other nominee indicates on the proxy card that it does not have discretionary authority to vote as to a particular matter, those shares, along with any abstentions, will not be counted in the tabulation of the votes cast on the proposal being presented to shareholders.

If you are a beneficial owner, your broker, bank or other nominee has authority to vote your shares for or against the re-appointment of our independent auditors, even if the broker does not receive voting instructions from you. Your broker, bank or other nominee, however, does not have the discretion to vote your shares on any other proposals included in this proxy statement without receiving voting instructions from you. **It is very important that you instruct your broker, bank or other nominee how to vote on these proposals.** If you do not complete the voting instructions, your shares will not be considered in the election of directors or any other proposal included in this proxy statement other than the re-appointment of our independent auditors.

If you are a registered shareholder, in the absence of contrary instructions, shares represented by proxies submitted by you will be voted at the 2018 annual general meeting: "FOR" each of the Board nominees in Proposal Nos. 1 and 2; and "FOR" Proposal Nos. 3 through 6. Our management does not know of any matters to be presented at the 2018 annual general meeting other than those set forth in this proxy statement and in the notice accompanying this proxy statement. If other matters should properly be put before the meeting, the proxy holders will vote on such matters in accordance with their best judgment.

Any shareholder of record has the right to revoke his or her proxy at any time prior to voting at the 2018 annual general meeting by:

- submitting a subsequently dated proxy; or
- by attending the meeting and voting in person.

If you are a beneficial holder who holds your ordinary shares through a broker, a bank or other nominee and you wish to change or revoke your voting instructions, you will need to contact the broker, the bank or other nominee who holds your shares and follow their instructions. If you are a beneficial holder and not the shareholder of record, you may not vote your shares in person at the 2018 annual general meeting unless you obtain a legal proxy from the record holder giving you the right to vote the shares.

Singapore Financial Statements; Monetary Amounts. We have prepared, in accordance with Singapore law, Singapore statutory financial statements, which are posted to our website at https://investors.flex.com/financials. Except as otherwise stated herein, all monetary amounts in this proxy statement have been presented in U.S. dollars.

PART II—PROPOSALS TO BE CONSIDERED AT THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS

PROPOSAL NOS. 1 AND 2: RE-ELECTION OF DIRECTORS

Article 94 of our Constitution requires that at each annual general meeting one-third of the directors (or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors) are required to retire from office. The directors required to retire in each year are those who have been in office the longest since their last re-election or appointment. As between persons who became or were last re-elected directors on the same day, those required to retire are (unless they otherwise agree among themselves) determined by lot. Under Article 90 of our Constitution, any director holding office as a Chief Executive Officer shall not be subject to retirement by rotation, unless the Board of Directors determines otherwise, or be taken into account in determining the number of directors required to retire by rotation. As a result, Mr. McNamara, as our Chief Executive Officer and also being one of our directors, is not subject to retirement by rotation or taken into account in determining the number of directors required to retire by rotation.

Furthermore, under Article 100 of our Constitution, any director appointed by the Board to fill a vacancy or as an additional director shall not be taken into account in determining the number of directors required to retire by rotation. Accordingly, Ms. Jennifer Li is not taken into account in determining the number of directors required to retire by rotation.

Retiring directors are eligible for re-election. Mr. Schulman and Mr. Tan are the members of our Board of Directors who will retire by rotation at our 2018 annual general meeting. Mr. Tan is eligible for re-election and has been nominated to stand for re-election at the 2018 annual general meeting. Mr. Schulman, who is retiring by rotation pursuant to Article 94 of our Constitution, has decided not to stand for re-election due to other time commitments and will be retiring from the Board effective as of the conclusion of the 2018 annual general meeting.

The Singapore Companies Act requires that we must have at all times at least one director ordinarily resident in Singapore. As Mr. Tan is the only member of our Board of Directors who is ordinarily resident in Singapore, any purported vacation of Mr. Tan's office at the 2018 annual general meeting shall be deemed to be invalid absent a prior appointment of another director to the Board who is ordinarily resident in Singapore.

Additionally, Article 100 of our Constitution provides that any person appointed as a director by the Board shall hold office only until the next annual general meeting and then shall be eligible for re-election. As a result, Ms. Li, who was appointed as an additional director by our Board on January 8, 2018, in accordance with Article 100 of our Constitution, is eligible for re-election and has been nominated for re-election at the 2018 annual general meeting.

If any nominee fails to receive the affirmative vote of a majority of the shares present and voting on the resolution to approve his or her re-election (that is, if the number of shares voted "FOR" the director nominee does not exceed the number of votes cast "AGAINST" that nominee), he or she will not be re-elected to the Board and the number of incumbent Directors comprising the Board of Directors will be reduced accordingly. Abstentions, if any, will have no effect.

The proxy holders intend to vote all proxies received by them in the accompanying form of proxy card for the nominees for directors listed below under "Nominees to our Board of Directors." In the event that any nominee is unable or declines to serve as a director at the time of the 2018 annual general meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors of the Company, in accordance with Article 99 of our Constitution, to fill the vacancy.

As of the date of this proxy statement, our Board of Directors is not aware of any nominee who is unable or will decline to serve as a director (other than Mr. Schulman, who has notified the Company that he is not seeking re-election and will be retiring from the Board effective as of the conclusion of the 2018 annual general meeting).

On July 2, 2018, the Company announced that, following a review of corporate governance practices and trends, the Board of Directors has determined to “de-classify” its Board in accordance with Singapore law to enable all directors to stand for election at each subsequent annual general meeting of the Company, with such annual elections of the full Board commencing at the Company’s annual general meeting to be held in 2019. The Company will call an extraordinary general meeting of the shareholders of the Company prior to the 2019 annual general meeting to obtain the approval of the Company’s shareholders to amend the Company’s Constitution accordingly and elect all directors annually, rather than through “staggered” retirement by rotation.

Qualifications of Directors and Nominees

Our Nominating and Corporate Governance Committee is responsible for assessing the composition and performance of the Board of Directors and Committees of the Board of Directors and for recruiting, evaluating and recommending candidates to be presented for appointment or election to serve as members of the Board of Directors. In evaluating our Board of Directors, our Nominating and Corporate Governance Committee has considered that our directors, including our nominees for election as directors, have experience as officers, directors and private equity investors of large, complex technology companies. In these positions, they have also gained experience in core management skills that are important to their service on our Board of Directors, such as international business, supply chain management, strategic and financial planning, compliance, risk management, intellectual property matters and leadership development. Our directors also have experience serving on the boards of directors and board committees of other public companies, which provides them with an understanding of current corporate governance practices and trends and executive compensation matters. Our Nominating and Corporate Governance Committee also believes that our directors have other key attributes that are important to an effective board, including the highest professional and personal ethics and values, an understanding of the Company’s business and industry, a high level of education, broad-based business acumen, the ability to think strategically, and diversity. The Company and the Nominating and Corporate Governance Committee are committed to actively seek highly-qualified diverse candidates (including diversity of experience, expertise, gender, race, and ethnicity) for consideration when the Board undertakes director searches.

In addition to the qualifications described above, the Nominating and Corporate Governance Committee also considered the specific experience described in the biographical details that follow in determining whether each individual nominee or director should serve on our Board of Directors.

The following are biographical details for the nominees to our Board of Directors:

Nominees to our Board of Directors

Jennifer Li

Chief Executive Officer and General Managing Director, Changcheng Investment Partners

Director Since: 2018

Age: 50

Board Committees:
None
(appointed to the Audit Committee effective as of the date of the 2018 annual general meeting)

Summary: Ms. Li has served as a member of our Board of Directors since January 2018. Ms. Li currently serves as Chief Executive Officer and General Managing Director of Changcheng Investment Partners, Baidu's newly initiated growth fund. From April 2017 to April 2018, she served as Chief Executive Officer and General Managing Director of Baidu Capital, the investment arm of Baidu, Inc. She was previously Chief Financial Officer of Baidu Inc., the leading Chinese language search engine and one of the largest search engines in the world. Ms. Li led Baidu over the past ten years of growth. In this capacity, she gained diverse functional experience, leading human resources, public relations, marketing, international operations, mergers and acquisitions, and finance. From 1994 to 2008, she held a number of senior finance positions at various General Motors companies in China, Singapore, the United States, and Canada, rising to Chief Financial Officer of GM's business in China and Financial Controller of the North American Operations for GMAC. Ms. Li currently serves on the boards of directors of ABB Ltd., The Hongkong and Shanghai Banking Corporation Limited and Philip Morris International Inc. where she also serves as the Chair of its Audit Committee and a member of both its Nominating and Corporation Governance and Finance Committees.

Qualifications: Ms. Li is a seasoned, global international executive with extensive experience in China, automotive, and multiple technology sectors. Ms. Li's world-class financial, operational, and technology industry experience both internationally and, particularly in China, enables her to provide with Board with valuable perspective and insight.

Lay Koon Tan

Former President and Chief Executive Officer and a member of the Board of Directors of STATS ChipPAC Ltd.

Director Since: 2012

Age: 59

Board Committees:
Compensation Committee

Summary: Mr. Tan has served as a member of our Board of Directors since March 2012. He previously served as the President and Chief Executive Officer and a member of the Board of Directors of STATS ChipPAC Ltd. from August 2004 to November 2015 and of its predecessor, ST Assembly Test Services Ltd., since June 2002. Mr. Tan joined ST Assembly Test Services Ltd. in May 2000 as its Chief Financial Officer, and in August 2004, he led the formation of STATS ChipPAC Ltd. with the acquisition of ChipPAC, Inc., becoming the combined company's founding President and Chief Executive Officer. Prior to joining ST Assembly Test Services Ltd., Mr. Tan was an investment banker with Salomon Smith Barney, the global investment banking unit of Citigroup Inc. Before that, he held various senior positions in government and financial institutions in Singapore. Mr. Tan graduated with a Bachelor of Engineering (First Class Honors) from the University of Adelaide, Australia as a Colombo Plan Scholar. He also has a Master of Business Administration (Distinction) from the Wharton School, University of Pennsylvania where he was elected a Palmer scholar.

Qualifications: Mr. Tan's extensive background in financial and investment matters provides a critical perspective to the Board in these areas, and his executive leadership experience, serving as a chief executive officer and chief financial officer of large international technology-related corporations, enables him to provide the Board with invaluable operational insight.

Directors Not Standing for Re-election

The following are the biographical details for our directors not standing for re-election. Mr. Schulman, who is retiring by rotation pursuant to Article 94 of our Constitution, has decided not to stand for re-election due to other time commitments and will be retiring from the Board effective as of the conclusion of the 2018 annual general meeting.

***Michael D. Capellas*, Chairman of the Board**

Principal, Capellas Strategic Partners

Director Since: 2014

Age: 63

Board Committees:
Nominating & Corporate Governance Committee (Chair)

Summary: Mr. Capellas has served as our non-executive Chairman of the Board since June 2017 and as a member of our Board of Directors since March 2014. He has served as Principal at Capellas Strategic Partners since June 2013. He served as the Chairman of the Board of VCE Company, LLC (VCE) from January 2011 until November 2012 and as VCE's Chief Executive Officer from May 2010 to September 2011. VCE is a joint venture between EMC Corporation and Cisco with investments from VMware, Inc. and Intel Corporation. Mr. Capellas was the Chairman and Chief Executive Officer of First Data Corporation from September 2007 to March 2010. From October 2006 to July 2007, Mr. Capellas served as a Senior Advisor at Silver Lake Partners. From November 2002 to January 2006, he served as Chief Executive Officer of MCI, Inc. (MCI), previously WorldCom, Inc. From March 2004 to January 2006, he also served as that company's President. From November 2002 to March 2004, he was also Chairman of the Board of WorldCom, and he continued to serve as a member of the board of directors of MCI until January 2006. Mr. Capellas left MCI as planned in early January 2006 upon its acquisition by Verizon Communications Inc. Previously, Mr. Capellas was President of Hewlett-Packard Company from May 2002 to November 2002. Before the merger of Hewlett-Packard and Compaq Computer Corporation in May 2002, Mr. Capellas held various positions including President and Chief Executive Officer of Compaq, a position he had held since July 1999, and Chairman of the Board of Compaq, a position he had held since September 2000. Mr. Capellas held earlier positions as Chief Information Officer and Chief Operating Officer of Compaq. Mr. Capellas currently serves on the board of directors of Cisco Systems, Inc. and previously served as lead independent director of MuleSoft, Inc.

Qualifications: Mr. Capellas brings experience in executive roles and a background of leading global organizations in the technology industry. Through this experience, he has developed expertise in several valued areas including strategic product development, business development, and finance.

Michael M. McNamara

CEO, Flex Ltd.

Director Since: 2005

Age: 61

Board Committees:
None

Summary: Mr. McNamara has served as a member of our Board of Directors since October 2005, and as our Chief Executive Officer since January 1, 2006. Prior to his appointment as Chief Executive Officer, Mr. McNamara served as our Chief Operating Officer from January 2002 until January 2006, as President, Americas Operations from April 1997 through December 2001, and as Vice President, North American Operations from April 1994 to April 1997. Mr. McNamara currently serves on the board of directors of Workday, Inc. and is on the Advisory Board of Tsinghua University School of Economics and Management and on the Presidential CEO Advisory Board of Massachusetts Institute of Technology (MIT). Mr. McNamara previously served on the board of Delphi Automotive LLP.

Qualifications: Mr. McNamara's long service with the Company, extensive leadership and management experience in international operations and his service on other public company boards provide invaluable perspective to the Board. In addition, as the only management representative on our Board, Mr. McNamara provides management perspective in Board discussions about the business and strategic direction of the Company.

Marc A. Onetto

Principal, Leadership from the Mind and the Heart LLC

Director Since: 2014

Age: 67

Board Committees:
Audit Committee

Summary: Mr. Onetto has served as a member of our Board of Directors since January 2014. Since 2013, Mr. Onetto has provided executive leadership consulting through his company "Leadership from the Mind and the Heart LLC." Mr. Onetto was the Senior Vice President of Worldwide Operations and Customer Service for Amazon.com from 2006 to 2013. Previously, Mr. Onetto was Executive Vice President of Worldwide Operations for Solectron Corporation, which was acquired by Flex in 2007, from June 2003 to June 2006. He joined Solectron after a 15-year career with General Electric where his last position was Vice President of GE Corporate's European operations. From 1992 to 2002, Mr. Onetto held several senior leadership positions at GE Medical Systems as head of its global supply chain and operations, global quality, and global Component Division. Prior to GE, Mr. Onetto served 12 years with Exxon Corporation in supply operations, information systems and finance. Mr. Onetto currently serves on the board of directors of Essilor International and on the Business Board of Advisors of the Tepper School of Business at Carnegie-Mellon University.

Qualifications: Mr. Onetto is a seasoned supply chain expert and pioneer and has extensive experience as an officer of large, complex technology companies. This experience and his significant understanding of the Company's business and industry enable him to bring valuable insight to the Board in these areas.

Daniel H. Schulman
(retiring effective as of the conclusion of the 2018 annual general meeting)

President and CEO, PayPal Holdings, Inc.

Director Since: 2009

Age: 60

Board Committees:
Compensation Committee (Chair)

Nominating & Corporate Governance Committee

Summary: Mr. Schulman has served as a member of our Board of Directors since June 2009. Since September 2014, Mr. Schulman has served as the President and then also CEO of PayPal Holdings, Inc. Previously, Mr. Schulman served as group president of the Enterprise Growth Group at American Express. Prior to that, Mr. Schulman served as the President of Sprint's Prepaid Group from November 2009 and, from 2001, was Chief Executive Officer and Director for Virgin Mobile USA, a wireless service provider. Mr. Schulman also served as the President, and then Chief Executive Officer, of Priceline.com from June 1999 to May 2001. Prior to joining Priceline, Mr. Schulman served more than 18 years at AT&T. Mr. Schulman currently serves as a director of PayPal Holdings, Inc. and as Chairman of the board of directors of Symantec Corporation and a member of its compensation and nominating and governance committees. Mr. Schulman currently is a board member of Autism Speaks.

Qualifications: Mr. Schulman has extensive senior management experience as a chief executive officer and governance expertise as a director, and he possesses the knowledge and expertise necessary to contribute an important viewpoint on a wide variety of governance and operational issues. Mr. Schulman's experience in the wireless and telecommunications sectors is particularly valuable to us as we continually enhance the competitive positioning of our segment offerings, such as those in infrastructure and mobile.

Willy C. Shih, Ph.D.

Professor of Management Practice, Harvard Business School

Director Since: 2008

Age: 67

Board Committees:
Compensation Committee

Summary: Dr. Shih has served as a member of our Board of Directors since January 2008. Dr. Shih is currently a Professor of Management Practice at the Harvard Business School, a position he has held since January 2007. Dr. Shih's broad industry career experience includes significant accomplishments for globally recognized organizations such as Kodak, IBM, Silicon Graphics and Thomson. From August 2005 to September 2006, Dr. Shih served as Executive Vice President of Thomson, a provider of digital video technologies. He was an intellectual property consultant from February to August 2005, and from 1997 to 2005 served as Senior Vice President of Eastman Kodak Company. Dr. Shih holds a Ph.D. in Chemistry from the University of California, Berkeley and S.B. degrees in Chemistry and Life Sciences from the Massachusetts Institute of Technology. Dr. Shih previously served on the board of directors of Atheros Communications, Inc.

Qualifications: Dr. Shih's broad experience in the technology industry and with international corporations, as well as his current role at a premier educational institution, provide the Board with key perspectives relating to the Company's operations and ongoing initiatives. In addition, Dr. Shih's experience in teaching and consulting provide him with significant insight into strategic alternatives that are available to technology companies.

William D. Watkins

Former Chief Executive Officer of Imergy Power Systems, Inc.

Director Since: 2009

Age: 65

Board Committees:
Audit Committee (rotating off the Audit Committee and appointed as Chairman of the Compensation Committee and as a member of the Nominating and Corporate Governance Committee effective as of the date of the 2018 annual general meeting)

Summary: Mr. Watkins has served as a member of our Board of Directors since April 2009. Mr. Watkins was Chief Executive Officer of Imergy Power Systems, Inc., a leading innovator in cost-effective energy storage products from September 2013, and appointed Chairman of the Board in January 2015, until August 2016. He previously served as Chairman of the Board of Bridgelux, Inc. from February 2013 to December 2013 and as its Chief Executive Officer from January 2010 to February 2013. He previously served as Seagate Technology's Chief Executive Officer from 2004 through January 2009, and as Seagate's President and Chief Operating Officer from 2000 until 2004. During that time, he was responsible for Seagate's hard disc drive operations, including recording heads, media and other components, and related R&D and product development organizations. Mr. Watkins joined Seagate in 1996 with the company's merger with Conner Peripherals. Mr. Watkins currently serves on the board of directors of Maxim Integrated Products, Inc. and Avaya, Inc.

Qualifications: Mr. Watkins's operational expertise and broad experience in the technology industry and with international corporations, particularly with product development companies, provides critical insight and perspective relating to the Company's customer base.

Lawrence A. Zimmerman

Former Vice Chairman and CFO, Xerox Corporation

Director Since: 2012

Age: 75

Board Committees:
Audit Committee (Chair)

Nominating & Corporate Governance Committee

Summary: Mr. Zimmerman has served as a member of our Board of Directors since October 2012. Mr. Zimmerman has extensive experience in corporate finance and accounting, having previously served at Xerox Corporation as Vice Chairman and Chief Financial Officer from 2009 to 2011 and as Executive Vice President and Chief Financial Officer from 2002 to 2009. Prior to that, he spent 32 years with IBM, holding various senior finance positions, including Corporate Controller. Mr. Zimmerman currently serves on the board of directors of Aptiv PLC, and previously served on the boards of Brunswick Corporation from 2006 to 2015 and Computer Sciences Corporation from 2012 to 2014.

Qualifications: Mr. Zimmerman's distinguished career and his extensive experience in corporate finance and accounting, serving as a chief financial officer and corporate controller of large international corporations, provides the Board with the critical perspective of someone familiar with all facets of corporate finance and accounting.

The Board recommends a vote "FOR" the re-election of each of Ms. Li and Mr. Tan to our Board of Directors.

CORPORATE GOVERNANCE

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees (including our principal executive officer, our principal financial officer and our principal accounting officer). The Code of Business Conduct and Ethics is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com*. In accordance with the rules of the Securities and Exchange Commission (or SEC), we intend to disclose on the Corporate Governance page of our website any amendment (other than technical, administrative or other non-substantive amendments) to, or any material waiver from, a provision of the Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions.

Shareholder Communications with our Board of Directors

Our shareholders may communicate with our Board of Directors by sending an e-mail to Board@flex.com. Communications submitted to this e-mail address are regularly reviewed by the Company's CEO, CFO and/or General Counsel and submitted to the Chairman of the Board, the Board of Directors or the requisite individual members of the Board of Directors, as appropriate, depending on the facts and circumstances outlined in the communication. Certain items that are unrelated to the duties and responsibilities of the Board of Directors are generally not furnished to the Board of Directors and are instead redirected or excluded, as appropriate.

Board of Directors

Our Constitution gives our Board of Directors 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 Chief Executive Officer.

Our Board of Directors held a total of five meetings during fiscal year 2018. During the period for which each current director was a director or a committee member, each director attended at least 75% of the aggregate of the total number of meetings of our Board in fiscal year 2018 together with the total number of meetings held by all committees of our Board on which he or she served. During fiscal year 2018, our non-employee directors met at regularly scheduled executive sessions without management participation.

Our Board has adopted a policy that encourages each director to attend the annual general meeting, but attendance is not required. All of our directors at the time of the 2017 annual general meeting attended the Company's 2017 annual general meeting.

Director Independence

To assist our Board of Directors in determining the independence of our directors, the Board has adopted Director Independence Guidelines that incorporate the definition of "independence" adopted by The Nasdaq Stock Market LLC, which we refer to as Nasdaq in this proxy statement. Our Board has determined that each of the Company's directors (including Mr. Raymond Bingham, who served as a director in fiscal year 2018 until his resignation in June 2017), other than Mr. McNamara, is an independent director as defined by the applicable rules of Nasdaq and our Director Independence Guidelines. Under the Nasdaq definition and our Director Independence Guidelines, a director is independent only if the Board determines that the director does not have any relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In addition, under the Nasdaq definition and our Director Independence Guidelines, a director will not be independent if the director has certain disqualifying relationships. In evaluating independence, the Board broadly considers all relevant facts and circumstances. Our Director Independence Guidelines are included in our Guidelines with Regard to Certain Governance Matters, a copy of which is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com*.

Director Retirement by Rotation

Article 94 of our Constitution requires that at each annual general meeting one-third of the directors (or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors) are required to retire from office and are then eligible for re-election at such annual general meeting. On July 2, 2018, the Company announced that, following a review of corporate governance practices and trends, the Board of Directors has determined to “de-classify” its Board in accordance with Singapore law to enable all directors to stand for election at each subsequent annual general meeting of the Company, with such annual elections of the full Board commencing at the Company’s annual general meeting to be held in 2019. The Company will call an extraordinary general meeting of the shareholders of the Company prior to the 2019 annual general meeting to obtain the approval of the Company’s shareholders to amend the Company’s Constitution accordingly and elect all directors annually, rather than through “staggered” retirement by rotation.

Board Leadership Structure and Role in Risk Oversight

Our Board of Directors currently consists of nine directors, each of whom, other than Mr. McNamara, is independent under the Company’s Director Independence Guidelines and the applicable rules of Nasdaq. Mr. McNamara has served as our Chief Executive Officer, or CEO, since January 1, 2006, and as a member of our Board of Directors since October 2005. The Board has separated the roles of Chairman and CEO since 2003. The Board appointed Mr. Capellas, an independent director, as Chairman of the Board, in 2017.

Our Board of Directors believes that the most effective Board leadership structure for the Company at the present time is for the roles of CEO and Chairman of the Board to be separated, and for the Chairman of the Board to be an independent director. Under this structure, our CEO is generally responsible for setting the strategic direction for the Company and for providing the day-to-day leadership over the Company’s operations, while the Chairman of the Board provides guidance to the CEO, sets the agenda for meetings of the Board and presides over Board meetings. Our Board of Directors believes that having an independent Chairman set the agenda and establish the priorities and procedures for the work of the Board provides a greater role for the independent directors in the oversight of the Company, and also provides the continuity of leadership necessary for the Board to fulfill its responsibilities. This leadership structure is supplemented by the fact that all of our directors, other than Mr. McNamara, are independent and all of the committees of the Board are composed solely of, and chaired by, independent directors. In addition, our non-employee directors meet at regularly scheduled executive sessions without management participation. The Board retains the authority to modify this leadership structure as and when appropriate to best address the Company’s unique circumstances at any given time and to serve the best interests of our shareholders.

Our Board of Directors’ role in risk oversight involves both the full Board of Directors and its committees. The Audit Committee is charged with the primary role in carrying out risk oversight responsibilities on behalf of the Board. Pursuant to its charter, the Audit Committee reviews the Company’s policies and practices with respect to risk assessment and risk management, including discussing with management the Company’s major risk exposures and the steps that have been taken to monitor and mitigate such exposures. The Company’s enterprise risk management process is designed to identify risks that could affect the Company’s achievement of business goals and strategies, to assess the likelihood and potential impact of significant risks to the Company’s business, and to prioritize risk control and mitigation. Our Chief Financial Officer, our General Counsel and our Chief Ethics and Compliance Officer periodically report on the Company’s risk management policies and practices to relevant Board committees and to the full Board. The Audit Committee reviews the Company’s major financial risk exposures as well as major operational, compliance, reputational, cybersecurity and strategic risks, including steps to monitor, manage and mitigate those risks. In addition, each of the other Board committees is responsible for oversight of risk management practices for categories of risks relevant to their functions. For example, the Compensation Committee has oversight responsibility for the Company's overall compensation structure, including review of its compensation practices, with a view to assessing associated risk. See "*Compensation Risk Assessment.*" The Board as a group is regularly updated on specific risks in the course of its review of corporate strategy, business plans and reports to the Board by its respective committees. The Board believes that its leadership structure supports its risk oversight function by providing a greater role for the independent directors in the oversight of the Company.

Succession Planning

On at least an annual basis, the Board reviews and assesses succession plans for the Chief Executive Officer position as well as other executive officers in order to ensure that the Company has the talent needed to successfully pursue the Company's strategy and execution of that strategy. This review includes a broader discussion on developing and retaining executive talent. Directors become familiar with potential successors for key executive positions through various means, including regular organization and talent reviews, presentations to the board, and informal meetings.

Board Committees

The standing committees of our Board of Directors are the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The table below provides current membership for each of these committees.

Name	Independent	Financial Expert	Audit Committee	Nominating and Corporate Governance Committee	Compensation Committee
Michael D. Capellas	✓			C	
Jennifer Li	✓				
Marc A. Onetto	✓		●		
Daniel H. Schulman*	✓			●	C
Willy C. Shih, Ph.D.	✓				●
Lay Koon Tan	✓				●
William D. Watkins	✓	✓	●		
Lawrence A. Zimmerman	✓	✓	C	●	

* Mr. Schulman is not standing for re-election and is retiring from the Board effective as of the conclusion of the 2018 annual general meeting.

● = Committee Member

C = Committee Chair

Audit Committee

The Audit Committee of the Board of Directors is currently composed of Messrs. Onetto, Watkins and Zimmerman, each of whom the Board has determined to be independent and to meet the financial experience requirements under both the rules of the SEC and the listing standards of Nasdaq. Effective as of the date of the 2018 annual general meeting, Mr. Watkins will rotate off the Audit Committee (in connection with his appointment as Chairman of the Compensation Committee and as a member of the Nominating and Corporate Governance Committee) and Ms. Li has been appointed to the Audit Committee. Additionally, while not currently on the Audit Committee, Mr. Tan served on the Audit Committee for a portion of fiscal year 2018. The Board has also determined that each of Messrs. Watkins and Zimmerman is an “audit committee financial expert” within the meaning of the rules of the SEC and is “financially sophisticated” within the meaning of the rules of Nasdaq. The Audit Committee held eleven meetings during fiscal year 2018 and regularly meets in executive sessions without management present.

The Audit Committee’s principal functions are to:

- monitor and evaluate periodic reviews of the adequacy of the accounting and financial reporting processes and systems of internal control that are conducted by our financial and senior management, and our independent auditors;
- be directly responsible for the appointment, compensation and oversight of the work of our independent auditors (including resolution of any disagreements between our management and the auditors regarding financial reporting); and
- facilitate communication among our independent auditors, our financial and senior management and our Board.

Our Board has adopted an Audit Committee Charter that is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com*.

Compensation Committee

Responsibilities and Meetings

The Compensation Committee of our Board of Directors is responsible for reviewing and approving the goals and objectives relating to, and recommending to our Board the compensation of, our Chief Executive Officer and all other executive officers. The Compensation Committee also oversees management’s decisions concerning the performance and compensation of other officers, administers the Company’s equity compensation plans and regularly evaluates the effectiveness of our overall executive compensation program. The Compensation Committee is currently composed of Messrs. Schulman and Tan and Dr. Shih, each of whom our Board has determined to be an independent director under the applicable listing standards of Nasdaq. Mr. Schulman is currently Chairman of the Compensation Committee and effective as of the date of the 2018 annual general meeting, Mr. Watkins has been appointed Chairman of the Compensation Committee. Additionally, while not currently a member of the Compensation Committee, Mr. Capellas served on the Compensation Committee for a portion of fiscal year 2018 and continues to attend Compensation Committee meetings. The Compensation Committee held five meetings during fiscal year 2018 and regularly meets in executive sessions without management present. The specific powers and responsibilities of the Compensation Committee are set forth in more detail in the Compensation Committee Charter, which is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com*.

Delegation of Authority

When appropriate, our Compensation Committee may form, and delegate authority to, subcommittees. In addition, in accordance with the Company’s equity compensation plans, the Compensation Committee’s charter allows the Compensation Committee to delegate to our Chief Executive Officer its authority to grant equity awards to employees of the Company who are not directors, executive officers or other senior level employees who report directly to the Chief Executive Officer.

Compensation Processes and Procedures

The Compensation Committee evaluates our compensation programs and makes recommendations to our Board regarding compensation to be paid or awarded to our executive officers. As part of its process, the Compensation Committee meets with our Chief Executive Officer, Chief Financial Officer, and members of our human resources department to obtain recommendations with respect to the structure of our compensation programs, as well as an assessment of the performance of individual executives and recommendations on compensation for individual executives. In addition, the Compensation Committee has the authority to retain and terminate any third-party compensation consultant and to obtain advice and assistance from internal and external legal, accounting and other advisors. In connection with our 2018 fiscal year compensation review, the Compensation Committee engaged Mercer Human Resources Consulting (referred to in this proxy statement as Mercer), a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. as its independent adviser for certain executive compensation matters. Mercer was retained by the Compensation Committee to provide an independent review of the Company's executive compensation programs, including an analysis of both the competitive market and the design of the programs. More specifically, Mercer furnished the Compensation Committee with reports on peer company practices relating to the following matters: short and long-term compensation program design; annual share utilization and shareowner dilution levels resulting from equity plans; and executive share ownership and retention values. As part of its reports to the Compensation Committee, Mercer evaluated our peer companies, and provided competitive compensation data and analysis relating to the compensation of our Chief Executive Officer and our other executives and senior officers. Mercer also assisted the Compensation Committee with its risk assessment of our compensation programs, and advising on the methodology used for our 2018 CEO pay ratio disclosure.

The Compensation Committee relied on input from Mercer in evaluating management's recommendations and arriving at the Compensation Committee's recommendations to the Board with respect to the elements of compensation discussed below under "*Compensation Discussion and Analysis*" for fiscal year 2018 compensation. The Compensation Committee expects that it will continue to retain a compensation consultant on future executive compensation matters.

Relationship with Compensation Consultant

Mercer's fees in connection with providing consulting services with respect to the compensation of our executive officers and non-employee directors in fiscal year 2018 were approximately $265,000. Additionally, during our 2018 fiscal year, Marsh & McLennan Companies, Inc. (the parent company of Mercer) and its affiliates, which we refer to collectively as MMC, were retained by the Company to provide other services unrelated to executive and director compensation matters. These services included various consulting and business services, and our Compensation Committee did not review or approve such other services provided by MMC, as those services were approved by management in the ordinary course of business. The aggregate fees paid for those other services in fiscal year 2018 were approximately $799,000.

Our Compensation Committee has determined that the provision by MMC of services unrelated to executive and director compensation matters in fiscal year 2018 was compatible with maintaining the objectivity of Mercer in its role as compensation consultant to the Compensation Committee and that the consulting advice it received from Mercer was not influenced by MMC's other relationships with the Company. The Compensation Committee is sensitive to the concern that the services provided by MMC, and the related fees, could impair the objectivity and independence of Mercer, and the Compensation Committee believes that it is important that objectivity be maintained. However, the Compensation Committee also recognizes that the services provided by MMC are valuable to the Company and that it could be inefficient and not in the Company's interest to use a separate firm to provide those services at this time. In addition, the Compensation Committee has confirmed that Mercer and MMC maintain appropriate safeguards to assure that the consulting services provided by Mercer are not influenced by the Company's business relationship with MMC. Specifically, Mercer provided to the Compensation Committee an annual update on Mercer's and MMC's financial relationship with the Company and assurances that members of Mercer who perform consulting services for the Compensation Committee have a reporting relationship and compensation determined separately from MMC's other lines of business and from its other work for the Company.

Mercer also represented to the Compensation Committee that there are no personal or business relationships between the Mercer account manager and any member of the Compensation Committee or a named executive officer beyond the Flex relationship. Further, the Mercer account manager does not directly own any Flex shares (although some of his investments controlled solely by independent, third-party managers may own Flex shares by way of indexed funds). Based on the above and other factors, including the factors set forth under Rule 10C-1 under the Securities Exchange Act of 1934, as amended (referred to in this proxy statement as the Exchange Act), the Compensation Committee assessed the independence of Mercer and concluded that no conflict of interest exists that would prevent Mercer from independently representing the Compensation Committee.

Compensation Committee Interlocks and Insider Participation

During our 2018 fiscal year, Messrs. Schulman, Capellas, and Tan and Dr. Shih served as members of the Compensation Committee. None of our executive officers served on the Compensation Committee during our 2018 fiscal year. None of our directors has interlocking or other relationships with other boards, compensation committees or our executive officers that require disclosure under Item 407(e)(4) of SEC Regulation S-K.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is currently composed of Messrs. Capellas, Schulman and Zimmerman, each of whom our Board has determined to be an independent director under the applicable listing standards of Nasdaq. Effective as of the date of the 2018 annual general meeting, Mr. Watkins has been appointed to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee held five meetings during fiscal year 2018 and regularly meets in executive sessions without management present. The Nominating and Corporate Governance Committee recruits, evaluates and recommends candidates for appointment or election as members of our Board. The Nominating and Corporate Governance Committee is also responsible for shaping and overseeing the application of the Company's corporate governance policies and procedures, including recommending corporate governance guidelines to the Board. In addition, the Nominating and Corporate Governance Committee oversees the Board's annual self-evaluation process and any Board communications with shareholders. In addition, the Nominating and Corporate Governance Committee reviews and makes recommendations to our Board for the compensation of our non-employee directors. Our Board has adopted a Nominating and Corporate Governance Committee Charter that is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com*.

The goal of the Nominating and Corporate Governance Committee is to ensure that our Board possesses a variety of perspectives and skills derived from high-quality business and professional experience. In connection with this goal, the Nominating and Corporate Governance Committee engages in Board succession planning by assessing the need to expand the size or expertise of the Board and the likelihood that a prospective nominee would possess the relevant skills and experience. Although the Board does not have a formal policy on diversity, the Nominating and Corporate Governance Committee seeks to achieve a balance and diversity of knowledge, experience and capability on our Board, while maintaining a sense of collegiality and cooperation that is conducive to a productive working relationship within the Board and between the Board and management. Further, the Company and the Nominating and Corporate Governance Committee are committed to actively seek highly-qualified diverse candidates (including diversity of experience, expertise, gender, race, and ethnicity) for consideration when the Board undertakes director searches. In addition, the Nominating and Corporate Governance Committee seeks nominees with the highest professional and personal ethics and values, an understanding of our business and industry, a high level of education, broad-based business acumen, and the ability to think strategically. Although the Nominating and Corporate Governance Committee uses these and other criteria to evaluate potential nominees, we have no stated minimum criteria for nominees.

The Nominating and Corporate Governance Committee generally recruits, evaluates and recommends nominees for our Board based upon recommendations by our directors and management or third-party search firms (which the Company retains from time to time to help identify potential candidates). During fiscal year 2018, the Nominating and Corporate Governance Committee received recommendations from the Board and engaged a third-party search firm to assist it in identifying and assessing potential director candidates. Ms. Li was identified as a potential director by such third-party search firm. The Nominating and Corporate Governance Committee will also consider recommendations submitted by our shareholders. The Nominating and Corporate Governance Committee does not have different standards for evaluating nominees depending on whether they are proposed by our directors and management or by our shareholders. Shareholders can recommend qualified candidates for our Board to the Nominating and Corporate Governance Committee by submitting recommendations to our corporate secretary at Flex Ltd., 2 Changi South Lane, Singapore 486123. Submissions that are received and meet the criteria outlined above will be forwarded to the Nominating and Corporate Governance Committee for review and consideration. Shareholder recommendations for our 2019 annual general meeting should be made not later than March 7, 2019 to ensure adequate time for meaningful consideration by the Nominating and Corporate Governance Committee. To date, we have not received any such recommendations from our shareholders.

The Nominating and Corporate Governance Committee also reviews and makes recommendations to our Board for the compensation of our non-employee directors. To assist the Nominating and Corporate Governance Committee in its periodic review of director compensation, our management provides director compensation data compiled from the annual reports and proxy statements of companies in our peer comparison group. In addition, the Nominating and Corporate Governance Committee retained Mercer to assist the Nominating and Corporate Governance Committee in its review of our non-employee director compensation program. This review was conducted to establish whether the compensation paid to our non-employee directors was competitive when compared to the practices of our peer group of companies. The Nominating and Corporate Governance Committee reviewed, among other things, the existing cash compensation of our non-employee directors, and the grant date fair value of restricted share unit awards. The Nominating and Corporate Governance Committee, with the assistance of Mercer, has also taken into consideration compensation trends for outside directors and the implementation of our share ownership guidelines for non-employee directors. The current compensation payable to our non-employee directors and our Chairman of the Board is discussed in the section below captioned “*Non-Management Directors’ Compensation for Fiscal Year 2018*.”

Director Share Ownership Guidelines

At the recommendation of the Compensation Committee, our Board of Directors adopted share ownership guidelines for our non-employee directors in July 2009, which our Board amended in 2017. The share ownership guidelines encourage our non-employee directors to hold a minimum number of our ordinary shares equivalent to four (4) times the annual cash retainer provided to non-employee directors. The guidelines encourage our non-employee directors to reach this goal within five years from the date of their election to our Board of Directors and to hold at least such minimum value in shares for as long as he or she serves on our Board. All of our non-employee directors have already met the minimum requirements of the share ownership guidelines or are on target to be in compliance with the requirements of the guidelines.

NON-MANAGEMENT DIRECTORS' COMPENSATION FOR FISCAL YEAR 2018

The key objective of our non-employee directors' compensation program is to attract and retain highly qualified directors with the necessary skills, experience and character to oversee our management. By using a combination of cash and equity-based compensation, the compensation program is designed to recognize the time commitment, expertise and potential liability relating to active Board service, while aligning the interests of our Board of Directors with the long-term interests of our shareholders. In accordance with the policy of our Board of Directors, we do not pay management directors for Board service in addition to their regular employee compensation. For a discussion of the compensation paid to our only management director, Mr. McNamara, for services provided as our CEO, see the sections of this proxy statement entitled "*Compensation Discussion and Analysis*" and "*Executive Compensation.*"

In addition to the compensation provided to our non-employee directors, which is detailed below, each non-employee director is reimbursed for any reasonable out-of-pocket expenses incurred in connection with attending in-person meetings of the Board of Directors and Board committees, as well as for any fees incurred in attending continuing education courses for directors.

Fiscal Year 2018 Annual Cash Compensation

Under the Singapore Companies Act, we may only provide cash compensation to our non-employee directors for services rendered in their capacity as directors with the prior approval of our shareholders at a general meeting. Our shareholders approved the current cash compensation arrangements for our non-employee directors at our 2009, 2011, 2014, and 2017 annual general meetings. The current arrangements include the following compensation:

- annual cash compensation of $90,000, payable quarterly in arrears to each non-employee director for services rendered as a director;
- additional annual cash compensation of $50,000, payable quarterly in arrears to the Chairman of the Board of Directors for services rendered as Chairman of the Board (in addition to the regular cash compensation payable to a member of the Board for services rendered as a director and for service on any Board committee, including service as Chairman of any Board committee);
- additional annual cash compensation of $40,000, payable quarterly in arrears to the Chairman of the Audit Committee for services rendered as Chairman of the Audit Committee;
- additional annual cash compensation of $15,000, payable quarterly in arrears to each member who serves on the Audit Committee (including the Chairman of the Audit Committee) for participation on the Audit Committee;
- additional annual cash compensation of $40,000, payable quarterly in arrears to the Chairman of the Compensation Committee for services rendered as Chairman of the Compensation Committee;
- additional annual cash compensation of $15,000, payable quarterly in arrears to each member who serves on the Compensation Committee (including the Chairman of the Compensation Committee) for participation on the Compensation Committee;
- additional annual cash compensation of $15,000, payable quarterly in arrears to the Chairman of the Nominating and Corporate Governance Committee for services rendered as Chairman of the Nominating and Corporate Governance Committee;
- additional annual cash compensation of $8,000, payable quarterly in arrears to each member who serves on the Nominating and Corporate Governance Committee (including the Chairman of the Nominating and Corporate Governance Committee) for participation on the Nominating and Corporate Governance Committee; and

- additional annual cash compensation of $5,000 payable quarterly in arrears to each of our non-employee directors for participation on each standing committee other than the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee (of which there are currently none).

The cash compensation of non-employee directors who serve less than a full quarter is pro-rated for the number of days actually served. Non-employee directors do not receive any non-equity incentive compensation, or participate in any pension plan or deferred compensation plan.

At our 2013 annual general meeting of shareholders, our shareholders approved a change in the structure of our non-employee director compensation program that allows our non-employee directors to receive their compensation in the form of Company shares, cash, or a combination thereof at the election of each director. Each non-employee director can elect to receive his or her annual retainer and committee compensation, or any portion thereof, in the form of fully-vested, unrestricted shares of the Company. A director making such election will receive shares having an aggregate value equal to the portion of compensation elected to be received in shares, valued at the closing price of our shares on the date the compensation would otherwise be paid in cash.

Fiscal Year 2018 Equity Compensation

Yearly Restricted Share Unit Awards

Under the terms of the discretionary restricted share unit grant provisions of our 2017 Equity Incentive Plan, which we refer to as the 2017 Plan, each non-employee director is eligible to receive grants of restricted share unit awards at the discretion of our Board of Directors. In accordance with the compensation program recommended by the Nominating and Corporate Governance Committee and approved by the Board, each non-employee director receives, following each annual general meeting of the Company, a yearly restricted share unit award consisting of such number of shares having an aggregate fair market value of $185,000 on the date of grant. These yearly restricted share unit awards vest in full on the date immediately prior to the date of the next year's annual general meeting. During fiscal year 2018, each non-employee director received a restricted share unit award covering 11,504 ordinary shares under this program.

Initial Awards

Upon initially becoming a director of the company, each non-employee director receives a pro-rated share of the yearly restricted share unit award granted to our directors, which is discussed above. The pro-rated award vests on the date immediately prior to the date of our next annual general meeting and is based on the amount of time that the director serves on the Board until such date. During fiscal year 2018, Ms. Li received a restricted share unit award covering 6,921 ordinary shares under this program.

Discretionary Grants

Under the terms of the discretionary option grant provisions of the 2017 Plan, non-employee directors are eligible to receive share options granted at the discretion of the Compensation Committee. No director received share options pursuant to the discretionary grant program during fiscal year 2018.

Compensation for the Non-Employee Chairman of the Board

Our non-executive Chairman is entitled to receive, following each annual general meeting of the Company, (i) the $50,000 in additional annual cash compensation described above, payable quarterly in arrears, and (ii) an additional yearly restricted share unit award that consists of such number of shares having an aggregate fair market value of $50,000 on the date of grant, which vests on the date immediately prior to the date of the next year's annual general meeting. Following the 2017 annual general meeting, our non-executive Chairman of the Board received a restricted share unit award covering 3,109 ordinary shares under the equity portion of this program. Our Chairman of the Board is also eligible to receive all other compensation payable to our non-employee directors for his service as a member of the Board.

In addition, our Chairman of the Board is entitled to receive the regular cash compensation payable to a member of the Board for service on any Board committees, including service as chairman of any Board committees. Our non-executive Chairman of the Board currently serves as the Chairman of the Nominating and Corporate Governance Committee.

In connection with his appointment as Chairman of the Board and as Chairman and member of the Nominating and Corporate Governance Committee in June 2017, Mr. Capellas elected, in lieu of cash compensation, to receive fully vested ordinary shares of the Company under the director share election program for those positions. Mr. Capellas previously elected to receive fully vested ordinary shares of the Company in lieu of his cash compensation for serving as a director and a member of the Compensation Committee.

While Company aircraft are generally used for Company business only, our Chairman of the Board may be permitted to use Company aircraft for personal travel, provided that Company aircraft are not needed for business purposes at such time. In such cases, the Chairman is required to reimburse the Company for the incremental costs related to his use of the aircraft. We calculate the incremental cost to the Company for use of the Company aircraft by using an hourly rate for each flight hour, which rate is based on the variable operational costs of each flight.

Director Summary Compensation in Fiscal Year 2018

The following table sets forth the fiscal year 2018 compensation for our non-employee directors.

Name	Fees Earned or Paid in Cash ($)(1)	Share Awards ($)(2)	Total ($)
H. Raymond Bingham(3)	$ 50,000	—	$ 50,000
Michael D. Capellas(4)	—	$371,068	$371,068
Jennifer Li	$ 21,349	$128,731	$150,080
Marc A. Onetto	$102,514	$184,984	$287,498
Daniel H. Schulman(5)	$148,028	$184,984	$333,012
Willy C. Shih, Ph.D.	$101,882	$184,984	$286,866
Lay Koon Tan(6)	$171,949	$184,984	$356,933
William D. Watkins	$102,514	$184,984	$287,498
Lawrence A. Zimmerman	$148,028	$184,984	$333,012

(1) This column represents the amount of cash compensation earned in fiscal year 2018 for Board and committee service.

(2) This column represents the grant date fair value of restricted share unit awards granted in fiscal year 2018 in accordance with FASB ASC Topic 718. The grant date fair value of restricted share unit awards is the closing price of our ordinary shares on the date of grant. For additional information regarding the assumptions made in calculating the amounts reflected in this column, see Note 4 to our audited consolidated financial statements for the fiscal year ended March 31, 2018, "Share-Based Compensation," included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018. No option awards were granted in fiscal year 2018.

(3) Mr. Bingham resigned from the Board of Directors on June 29, 2017.

(4) In lieu of his cash compensation, Mr. Capellas elected to receive fully vested ordinary shares of the Company under the director share election program for his Board and Committee service, earned beginning with the date following the 2017 annual general meeting. During fiscal year 2018, Mr. Capellas received 7,766 ordinary shares under the share election program, the value of which is reflected in the table above under "Share Awards."

(5) Mr. Schulman is retiring from the Board of Directors effective as of the conclusion of the annual general meeting.

(6) Mr. Tan incurred U.S. Federal and California state taxes as a result of serving on our Board of Directors. The Company agreed to compensate Mr. Tan in cash in connection with his double taxation. Mr. Tan received $24,644 on April 15, 2017 and $62,901 on October 15, 2017 for his tax equalization in 2015 and 2016, respectively. These amounts are included in the table above under "Fees Earned or Paid in Cash."

The table below shows the aggregate number of ordinary shares underlying unvested restricted share units held by our non-employee directors as of the 2018 fiscal year-end:

Name	Number of Ordinary Shares Underlying Outstanding Restricted Share Units (#)
Michael D. Capellas	14,613
Jennifer Li	6,921
Marc A. Onetto	11,504
Daniel H. Schulman(1)	11,504
Willy C. Shih, Ph.D.	11,504
Lay Koon Tan	11,504
William D. Watkins	11,504
Lawrence A. Zimmerman	11,504

(1) Mr. Schulman is retiring from the Board of Directors effective as of the conclusion of the annual general meeting.

The directors do not hold any share options. Mr. Bingham did not receive any restricted share units in fiscal year 2018.

Change of Control and Termination Provisions

All of our non-employee directors have outstanding restricted share unit awards granted under the terms of the 2017 Plan. Equity awards to our directors are currently granted under the 2017 Plan, the adoption of which was approved by our shareholders at our 2017 annual general meeting. In the event of a dissolution or liquidation of the Company or if we are acquired by merger or asset sale or in the event of other change of control events, the treatment of outstanding restricted share units granted under the 2017 Plan is as described in the section entitled *"Potential Payments upon Termination or Change in Control."*

PROPOSAL NO. 3: RE-APPOINTMENT OF INDEPENDENT AUDITORS FOR FISCAL YEAR 2019 AND AUTHORIZATION OF OUR BOARD TO FIX THEIR REMUNERATION

Our Audit Committee has approved, subject to shareholder approval, the re-appointment of Deloitte & Touche LLP, which has been the Company's independent registered public accounting firm since 2002, as the Company's independent registered public accounting firm to audit our financial statements and records for the fiscal year ending March 31, 2019, and to perform other appropriate services. In addition, pursuant to Section 205(16) of the Companies Act, our Board of Directors is requesting that the shareholders authorize the directors, upon the recommendation of the Audit Committee, to fix the auditors' remuneration for services rendered through the 2019 annual general meeting. We expect that a representative from Deloitte & Touche LLP will be present at the 2018 annual general meeting. 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.

The Company has been advised by Deloitte & Touche LLP that neither it nor any of its associates has any direct or material indirect financial interest in the Company.

Principal Accountant Fees and Services

Set forth below are the aggregate fees billed by our principal accounting firm, Deloitte & Touche LLP, a member firm of Deloitte Touche Tohmatsu, and its respective affiliates for services performed during fiscal years 2018 and 2017. All audit and permissible non-audit services reflected in the fees below were pre-approved by the Audit Committee in accordance with established procedures.

	Fiscal Year	
	2018	2017
	(in millions)	
Audit Fees	$10.6	$ 9.3
Audit-Related Fees	0.7	0.2
Tax Fees	0.9	1.3
All Other Fees	0.1	0.1
Total	$12.3	$10.9

Audit Fees consist of fees for professional services rendered by our independent registered public accounting firm for the audit of our annual consolidated financial statements included in our Annual Report on Form 10-K (including services incurred with rendering an opinion under Section 404 of the Sarbanes-Oxley Act of 2002) and the review of our consolidated financial statements included in our Quarterly Reports on Form 10-Q. These fees include fees for services that are normally incurred in connection with statutory and regulatory filings or engagements, such as comfort letters, statutory audits, consents and the review of documents filed with the SEC and, for fiscal year 2018, also include fees incurred in connection with the independent investigation conducted by the Audit Committee.

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 and not included in Audit Fees. For fiscal year 2018, these fees include, among other items, fees associated with the implementation of Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*.

Tax Fees consist of fees for professional services rendered by our independent registered public accounting firm for tax compliance, tax advice, and tax planning services, including assistance regarding federal, state and international tax compliance, return preparation, tax audits and customs and duties.

All Other Fees consist of fees for professional services rendered by our independent registered public accounting firm for permissible non-audit services.

Audit Committee Pre-Approval Policy

Our Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year, and any pre-approval is detailed as to the particular service or category of services. The independent registered public accounting firm and 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 this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis.

Our Audit Committee has determined that the provision of non-audit services under appropriate circumstances may be compatible with maintaining the independence of Deloitte & Touche LLP, and that all such services provided by Deloitte & Touche LLP to us in the past were compatible with maintaining such independence. The Audit Committee is sensitive to the concern that some non-audit services, and related fees, could impair independence and the Audit Committee believes it important that independence be maintained. However, the Audit Committee also recognizes that in some areas, services that are identified by the relevant regulations as "tax fees" or "other fees" are sufficiently related to the audit work performed by Deloitte & Touche LLP that it would be highly inefficient and unnecessarily expensive to use a separate firm to perform those non-audit services. The Audit Committee intends to evaluate each such circumstance on its own merits, and to approve the performance of non-audit services where it believes efficiency can be obtained without meaningfully compromising independence.

The Board recommends a vote "FOR" the re-appointment of Deloitte & Touche LLP as our independent auditors for fiscal year 2019 and authorization of the Board, upon the recommendation of the Audit Committee, to fix their remuneration.

AUDIT COMMITTEE REPORT

The information contained under this "Audit Committee Report" shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any filings under the Securities Act of 1933, as amended, which we refer to as the Securities Act, or under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, or be subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate this information by reference into any such filing.

The Audit Committee assists our Board of Directors in overseeing financial accounting and reporting processes and systems of internal controls. The Audit Committee also evaluates the performance and independence of our independent registered public accounting firm. The Audit Committee operates under a written charter, a copy of which is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com*. Under the written charter, the Audit Committee must consist of at least three directors, all of whom must be "independent" as defined by the Exchange Act and the rules of the SEC and Nasdaq. The members of the Audit Committee during fiscal year 2018 were Messrs. Onetto, Tan, Watkins and Zimmerman, each of whom is an independent director.

Our financial and senior management supervise our systems of internal controls and the financial reporting process. Our independent auditors perform an independent audit of our consolidated financial statements in accordance with generally accepted auditing standards and express an opinion on these consolidated financial statements. In addition, our independent auditors express their own opinion on the effectiveness of our internal control over financial reporting. The Audit Committee monitors these processes.

The Audit Committee has reviewed and discussed with both the management of the Company and our independent auditors our audited consolidated financial statements for the fiscal year ended March 31, 2018, as well as management's assessment and our independent auditors' evaluation of the effectiveness of our internal control over financial reporting as of March 31, 2018. Our management represented to the Audit Committee that our audited consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

The Audit Committee also discussed with our independent auditors the matters required to be discussed by our independent registered public accounting firm with the Audit Committee under the rules adopted by the Public Company Accounting Oversight Board. The Audit Committee also has discussed with our independent auditors the firm's independence from Company management and the Company, and reviewed the written disclosures and letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence. The Audit Committee has also considered whether the provision of non-audit services by our independent auditors is compatible with maintaining the independence of the auditors. The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent auditors. All audit and permissible non-audit services performed by our independent auditors during fiscal years 2018 and 2017 were pre-approved by the Audit Committee in accordance with established procedures.

Audit Committee Report

Based on the Audit Committee's discussions with the management of the Company and our independent auditors and based on the Audit Committee's review of our audited consolidated financial statements together with the reports of our independent auditors on the consolidated financial statements and the representations of our management with regard to these consolidated financial statements, the Audit Committee recommended to the Company's Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018, which was filed with the SEC on June 14, 2018.

Submitted by the Audit Committee of the Board of Directors:

Lawrence A. Zimmerman
Marc A. Onetto
William D. Watkins

PROPOSAL NO. 4: ORDINARY RESOLUTION TO AUTHORIZE ORDINARY SHARE ISSUANCES

We are incorporated in the Republic of Singapore. Under Singapore law, our directors may only issue ordinary shares and make or grant offers, agreements or options that might or would require the issuance of ordinary shares, with the prior approval from our shareholders. We are submitting this proposal 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 2018 annual general meeting until the earlier of (i) the conclusion of the 2019 annual general meeting or (ii) the expiration of the period within which the 2019 annual general meeting is required by law to be held. The 2019 annual general meeting is required to be held within 15 months after the date of the 2018 annual general meeting or six months after the date of our 2019 fiscal year end, whichever is earlier (except that Singapore law allows for a one-time application for an extension of up to a maximum of two months to be made with the Singapore Accounting and Corporate Regulatory Authority).

Our Board believes that it is advisable and in the best interests of our shareholders for our shareholders to authorize our directors to issue ordinary shares and to make or grant offers, agreements or options that might or would require the issuance of ordinary shares. In the past, the Board has issued shares or made agreements that would require the issuance of new ordinary shares in the following situations:

- in connection with strategic transactions and acquisitions;
- pursuant to public and private offerings of our ordinary shares as well as instruments convertible into our ordinary shares; and
- in connection with our equity compensation plans and arrangements.

If this proposal is not approved, we would not be permitted to issue any new ordinary shares, including shares issuable pursuant to compensatory equity awards (other than shares issuable on exercise or settlement of outstanding options, restricted share units and other instruments convertible into or exercisable for ordinary shares, 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.

Notwithstanding this general authorization to issue our ordinary shares, we will be required to seek shareholder approval with respect to future issuances of ordinary shares where required under the rules of Nasdaq, such as where the Company proposes to issue ordinary shares that will result in a change in control of the Company or in connection with a private offering involving the issuance of ordinary shares representing 20% or more of our outstanding ordinary shares at a price less than the greater of book or market value.

Our Board expects that we will continue to issue ordinary shares and grant options and restricted share unit awards in the future under circumstances similar to those in the past. 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, our 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 issue, during the period described above, ordinary shares subject only to applicable Singapore laws and the rules of Nasdaq. The issuance of a large number of ordinary shares could be dilutive to existing shareholders or reduce the trading price of our ordinary shares on Nasdaq.

We are not submitting this proposal in response to a threatened takeover. In the event of a hostile attempt to acquire control of the Company, we could seek to impede the attempt by issuing ordinary shares, which may dilute the voting power of our existing shareholders. This could also have the effect of impeding the efforts of our shareholders to remove an incumbent director and replace him with a new director of their choice. These potential effects could limit the opportunity for our shareholders to dispose of their ordinary shares at the premium that may be available in takeover attempts.

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

PROPOSAL NO. 5: NON-BINDING, ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, and as a matter of good corporate governance, we are asking our shareholders to approve, in a non-binding, advisory vote, the compensation of our named executive officers (NEOs) as reported in this proxy statement in the Compensation Discussion and Analysis and in the compensation tables and accompanying narrative disclosure under "*Executive Compensation*." Our named executive officers are identified in the Compensation Discussion and Analysis.

As a general matter, our Compensation Committee continually seeks to have a compensation philosophy that emphasizes paying for performance. Key aspects of the philosophy are to:

- Emphasize at-risk compensation;
- Establish market-based, responsible target pay;
- Balance performance-based metrics and measurement time frames; and
- Place emphasis on long-term performance.

The Compensation Committee periodically assesses our compensation programs to ensure that they are appropriately aligned with our business strategy and are achieving their objectives. The Compensation Committee regularly reviews our compensation programs and peer company data and best practices in the executive compensation area. In past years, the Compensation Committee has recommended and our Board has approved changes in our compensation policies and practices in order to align with best practices. Overall, the Compensation Committee has sought to weight a higher percentage of our executives' total direct compensation to performance-based and long-term components.

Performance Highlights For Fiscal Year 2018

We achieved overall top-line growth from expanding our *Sketch-to-Scale*® strategy while also pursuing an aggressive period of strategic capital expenditures and business realignment. This fiscal year 2018 growth was strongest in our higher margin and higher complexity IEI and HRS segments, where year-over-year revenue growth was 20% and 15%, respectively. This growth is critical to our financial optimization as these segments drive better visibility and longer product life cycles. As expected, revenue declined in our CEC segment as legacy businesses continued to shrink while being partially offset by growth from new areas such as cloud data center and converged products. CTG segment revenues were up nearly 10% during fiscal year 2018, while its adjusted operating margins declined during the same period due to investments and losses from our Nike strategic partnership. Our increased level of capital expenditures and net working capital have pressured our cash flow. Fiscal year 2018 highlights(2) include:

- We achieved net sales of $25.4 billion, an increase of 7% compared to the prior year. In addition, through the end of fiscal year 2018, we have delivered five straight quarters of year-over-year revenue growth.
- Adjusted operating profit was $786.5 million, a 3.5% decrease as compared with fiscal year 2017.
- We delivered adjusted EPS of $1.09 per share, a 6.8% decrease as compared with the prior year.
- Adjusted gross profit totaled $1.7 billion, an increase of 1.9% compared to the prior year.

(2) See Annex A to the proxy statement for a reconciliation of non-GAAP and GAAP financial measures.

- Adjusted gross margin was 6.7% of net sales in fiscal year 2018, compared with 7.0% of net sales in fiscal year 2017.
- We generated operating cash flows of $753.6 million during the year. The cash flow generated from our operations enabled us to return value to shareholders with the repurchase of $180.0 million of our shares in fiscal year 2018.
- We realized free cash flow of $236.4 million which was down from the prior year primarily due to higher capital expenditures of $517.2 million, higher working capital usage, and lower overall profitability.

With the above results, we had a fiscal year 2018 TSR that was well below our expectations, though we have delivered TSR of nearly 29% over the past three fiscal years, which approximates the median of the firms that were in the S&P 500 over the same time period. Over the last five years, we have generated TSR of over 140%, which is in the top quartile of the S&P 500.

Pay and Performance Alignment For Fiscal Year 2018

Our compensation philosophy is to reward above-target performance when achieved, and pay zero or below target when targeted results are not delivered.

Highlights include:

- We maintained all NEOs' base salaries with no increase, positioned in the aggregate at approximately the peer group median.
- In light of overall Company performance and in accordance with the Company's governance principles, the Board exercised its discretion to reduce to zero the fourth quarter fiscal 2018 incentive bonus payouts for our NEOs, with the exception of Mr. Humphries, resulting in annual incentive bonus payouts at 89.3% of target for the NEOs (except for Mr. Humphries, who earned 159.2% of target driven by exceptional results in the HRS business). Additionally, PSU and service-based RSU awards granted to the NEOs on June 19, 2018 were reduced by 15%.
- We paid out the long-term PSU cycle during fiscal year 2018 at 200% of target in June 2017 based upon TSR results that were at the 81st percentile over the three-year performance cycle that began in June 2014, which exceeded the maximum level of the performance goal range. The Flex three-year FCF PSU and long-term cash incentive cycle paid out at 73.9% of target, reflecting Flex's more aggressive operating targets and the shift towards an investment strategy in fiscal year 2018.
- We funded the NEOs' deferred compensation plans with a value that averaged 26.3% of our NEOs' respective base salaries based on fiscal year 2018 results.
- We continued to use fiscal year 2018 long-term incentive grants that balance relative TSR PSUs with an LTIP that measures cumulative FCF over a multi-year period (from fiscal year 2018 through fiscal year 2020).

Prior Say-on-Pay Advisory Vote Results and Shareholder Engagement

In the normal course of Flex's business, we have communications with shareholders about both our business and our executive compensation programs. During fiscal year 2018, we interacted with holders of approximately 93% of our share voting power. We also provided shareholders with a "say-on-pay" advisory vote on executive compensation at our 2017 annual general meeting held on August 15, 2017. The advisory vote received the support of approximately 94% of the votes cast at the General Meeting. Based on both the outcome of the "say-on-pay advisory vote" and our direct discussions with shareholders, we continue to believe that the underlying structure and implementation of our executive compensation program is sound and provides proper pay-for-performance alignment. We have been asked to more tightly manage our overall share grant levels relative to performance delivered, which we have done and will continue to do (see *Responsible Share Granting Approach* section in our Compensation Discussion and Analysis disclosure). Based on the favorable prior "say-on-pay" results, shareholder feedback on existing programs, and our review of the alignment of our pay program design with business results, we continued the structure of our fiscal year 2017 compensation programs in fiscal year 2018. Going forward, we will continue to evaluate our alignment between our compensation strategy and our business objectives, with a strong focus on ensuring that the pay programs reinforce the need to achieve strong performance levels and shareholder value growth.

In addition to providing shareholders with a "say-on-pay" advisory vote, in 2017, we provided shareholders with an advisory vote regarding the frequency of "say-on-pay" advisory votes. Approximately 99% of the votes cast at the 2017 annual general meeting were in favor of continuing to hold "say-on-pay" advisory votes every year.

We urge shareholders to carefully read the Compensation Discussion and Analysis section of this proxy statement to review the correlation between the compensation of our named executive officers and our performance. The Compensation Discussion and Analysis also describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives. We also encourage you to read the Summary Compensation Table and the other related compensation tables and narrative that follow the Compensation Discussion and Analysis, which provide detailed information on the compensation of our named executive officers.

While the vote on this resolution is advisory and not binding on the Company, each of the Compensation Committee and the Board values the opinions of our shareholders and will consider the outcome of the vote on this resolution when making decisions regarding future executive compensation arrangements. We have held a say-on-pay advisory vote on an annual basis since 2011.

The Board recommends a vote "FOR" the approval of the non-binding, advisory resolution on executive compensation.

PROPOSAL NO. 6: 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 applicable listing rules of Nasdaq and such other laws and regulations as may apply from time to time.

Singapore law requires that we obtain shareholder approval of a “general and unconditional share purchase mandate” given to our directors if we wish to purchase or otherwise acquire our ordinary shares. This general and unconditional mandate is referred to in this proxy statement as the Share Purchase Mandate, and it allows our directors to exercise all of the Company’s powers to purchase or otherwise acquire our issued ordinary shares on the terms of the Share Purchase Mandate.

Although our shareholders approved a renewal of the Share Purchase Mandate at the annual general meeting of shareholders held in 2017, the Share Purchase Mandate renewed at the annual general meeting will expire on the date of the 2018 annual general meeting. Accordingly, we are submitting this proposal to seek approval from our shareholders at the annual general meeting for another renewal of the Share Purchase Mandate. Pursuant to the Singapore Companies Act, share repurchases under our share repurchase plans were subject to an aggregate limit of 20% of our issued ordinary shares outstanding as of the date of the annual general meeting held on August 15, 2017. On August 15, 2017, the Board authorized the repurchase of up to an aggregate of $500 million of ordinary shares of the Company. Until the 2018 annual general meeting, any repurchases would be made under the Share Purchase Mandate renewed at the annual general meeting held in 2017. Commencing on the date of the 2018 annual general meeting, any repurchases may only be made if the shareholders approve the renewal of the Share Purchase Mandate at the annual general meeting. On June 14, 2018, subject to the approval of this Share Repurchase Mandate by the shareholders at the 2018 annual general meeting, the Board authorized a repurchase of up to $500 million of ordinary shares of the Company. The share purchase program does not obligate the Company to repurchase any specific number of shares and may be suspended or terminated at any time without prior notice.

If renewed by shareholders at the annual general meeting, the authority conferred by the 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 the 2019 annual general meeting or the date by which the 2019 annual general meeting is required by law to be held. The 2019 annual general meeting is required to be held within 15 months after the date of the 2018 annual general meeting or six months after the date of our 2019 fiscal year end, whichever is earlier (except that Singapore law allows for a one-time application for an extension of up to a maximum of two months to be made with 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 annual general meeting, are summarized below.

Limit on Allowed Purchases

We may only purchase or acquire ordinary shares that are issued and fully paid up. The prevailing limitation under the Singapore Companies Act that is currently in force does not permit us to purchase or acquire more than 20% of the total number of our issued ordinary shares outstanding at the date of the annual general meeting. Any of our ordinary shares which are held as treasury shares will be disregarded for purposes of computing this 20% limitation.

We are seeking approval for our Board of Directors to authorize the purchase or acquisition of our issued ordinary shares not exceeding 20% of our total number of issued ordinary shares outstanding as of the date of the passing of this proposal (excluding any ordinary shares which are held as treasury shares as at that date).

Purely for illustrative purposes, on the basis of 530,336,306 issued ordinary shares outstanding as of June 15, 2018, and assuming no additional ordinary shares are issued or repurchased on or prior to the date of the annual general meeting, based on the prevailing 20% limit, we would be able to purchase not more than 106,067,261 issued ordinary shares pursuant to the proposed renewal of the Share Purchase Mandate.

During fiscal year 2018, we repurchased approximately 10.8 million shares for an approximate aggregate purchase value of $180 million under the Share Purchase Mandate and retired all of these shares. As of June 15, 2018, we had 530,336,306 shares outstanding.

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 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.

Manner of Purchases or Acquisitions of Ordinary Shares

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

- market purchases on Nasdaq 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 Nasdaq 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 scheme as prescribed by the Singapore Companies Act.

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 as they see fit and as are in our interests, so long as the terms are consistent with the Share Purchase Mandate, the applicable rules of Nasdaq, the provisions of the Singapore Companies Act and other applicable laws. In addition, an equal access scheme must satisfy all of 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 different accrued dividend entitlements and differences in the offers solely to ensure that each person is left with a whole number of ordinary shares).

Purchase Price

The maximum purchase price (excluding brokerage commission, applicable goods and services tax and other related expenses of the purchase or acquisition) to be paid for each 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 Nasdaq or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted, or shall not exceed any volume weighted average price, or other price determined under any pricing mechanism, permitted under SEC Rule 10b-18, 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 Nasdaq 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.

Treasury Shares

Under the Singapore Companies Act, ordinary shares purchased or acquired by us may be held as treasury shares. Some of the provisions on treasury shares under the Singapore Companies Act are summarized below.

Maximum Holdings. The number of ordinary shares held as treasury shares may not at any time exceed 10% of the total number of issued ordinary shares.

Voting and Other Rights. We may not exercise any right in respect of treasury shares, including any right to attend or vote at meetings and, for the purposes of the Singapore Companies Act, we shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. In addition, no dividend may be paid, and no other distribution of our assets may be made, to the Company in respect of treasury shares, other than the allotment of ordinary shares as fully paid bonus shares. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before the subdivision or consolidation, respectively.

Disposal and Cancellation. Where ordinary shares are held as treasury shares, we may at any time:

- sell the treasury shares for cash;
- transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- cancel the treasury shares; or
- sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Sources of Funds

Only funds legally available for purchasing or acquiring ordinary shares in accordance with our Constitution and the applicable laws of Singapore shall be used. We intend to use our internal sources of funds and/or borrowed funds to finance any purchase or acquisition of our ordinary shares. 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.

The Singapore Companies Act permits us to purchase or acquire our ordinary shares out of our capital and/or profits. Acquisitions or purchases made out of capital are permissible only so long as we are solvent for the purposes of Section 76F(4) of the Singapore Companies Act. A company is solvent if, at the date of the payment made in consideration of the purchase or acquisition (which shall include any expenses—including brokerage or commission) the following conditions are satisfied: (a) there is no ground on which the company could be found unable to pay its debts; (b) if it is not intended to commence winding up of the company, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

Status of Purchased or Acquired Ordinary Shares

Any ordinary share that we purchase or acquire will be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to such ordinary share will expire on cancellation (unless such ordinary share is held by us as a treasury share). The total number of issued shares will be diminished by the number of ordinary shares purchased or acquired by us and which are not held by us as treasury shares.

We will cancel and destroy certificates in respect of purchased or acquired ordinary shares as soon as reasonably practicable following settlement of any purchase or acquisition of such ordinary shares. Where such ordinary shares are purchased or acquired and held by us as treasury shares, we will cancel and issue new certificates in respect thereof.

Financial Effects

Our net tangible assets and the consolidated net tangible assets of our subsidiaries will be reduced by the purchase price (including any expenses) of any ordinary shares purchased or acquired and cancelled or held as treasury shares. 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 financial condition and cash flows.

The financial effects on us and our group (including our subsidiaries) 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, the price paid for the ordinary shares and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Under the Singapore Companies Act, purchases or acquisitions of ordinary shares by us may be made out of profits and/or our capital so long as the Company is solvent.

Our purchases or acquisitions of our ordinary shares may be made out of our profits and/or our capital. Where the consideration (including any expenses) paid by us for the purchase or acquisition of ordinary shares is made out of our profits, such consideration (including any expenses such as brokerage or commission) 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. To date, we have not declared any cash dividends on our ordinary shares.

Rationale for the Share Purchase Mandate

We believe that a renewal of the Share Purchase Mandate at the annual general meeting will benefit our shareholders by providing our directors with appropriate flexibility to repurchase ordinary shares if the 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 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 the Company's voting capital increases, such increase will be treated as an acquisition for the purposes of The Singapore Code on Take-overs and Mergers. If such increase results in a change of effective control, or, as a result of such increase, a shareholder or a group of shareholders acting in concert obtains or consolidates effective control of the Company, such shareholder or group of shareholders acting in concert with a director could become obliged to make a take-over offer for the Company under Rule 14 of The Singapore Code on Take-overs and Mergers.

The circumstances under which shareholders (including directors and persons acting in concert with them respectively) will incur an obligation to make a take-over offer are set forth in Rule 14 of The Singapore Code on Take-overs and Mergers, Appendix 2. 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 the Company purchasing or acquiring our issued ordinary shares, the voting rights of such shareholders would increase to 30% or more, or if such shareholders hold between 30% and 50% of our voting rights, the voting rights of such shareholders 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 approve the proposed renewal of the Share Purchase Mandate.

PART III—ADDITIONAL INFORMATION

EXECUTIVE OFFICERS

The names, ages and positions of our executive officers as of June 15, 2018 are as follows:

Name	Age	Position
Michael M. McNamara	61	Chief Executive Officer
Christopher E. Collier	49	Chief Financial Officer
Francois P. Barbier	59	President, Global Operations and Components
Scott Offer	53	Executive Vice President and General Counsel
Paul J. Humphries	63	President, High Reliability Solutions
Douglas M. Britt	53	President, Flex Integrated Solutions
David P. Bennett	48	Chief Accounting Officer

Michael M. McNamara. Mr. McNamara has served as a member of our Board of Directors since October 2005, and as our Chief Executive Officer since January 1, 2006. Prior to his appointment as Chief Executive Officer, Mr. McNamara served as our Chief Operating Officer from January 2002 until January 2006, as President, Americas Operations from April 1997 through December 2001, and as Vice President, North American Operations from April 1994 to April 1997. Mr. McNamara currently serves on the board of directors of Workday, Inc. and is on the Advisory Board of Tsinghua University School of Economics and Management and on the Presidential CEO Advisory Board of Massachusetts Institute of Technology (MIT). Mr. McNamara previously served on the board of Delphi Automotive LLP.

Christopher E. Collier. Mr. Collier has served as our Chief Financial Officer since May 2013. He served as our Senior Vice President, Finance from December 2004 to May 2013 and our Principal Accounting Officer from May 2007 to July 2013. Prior to his appointment as Senior Vice President, Finance in 2004, Mr. Collier served as Vice President, Finance and Corporate Controller since he joined us in April 2000 in connection with the acquisition of The Dii Group. Mr. Collier is a certified public accountant and he received a B.S. in Accounting from State University of New York at Buffalo.

Francois P. Barbier. Mr. Barbier has served as our President, Global Operations and Components since February 2012. Prior to holding this position, Mr. Barbier served as our President, Global Operations since June 2008. Prior to his appointment as President, Global Operations, Mr. Barbier was President of Special Business Solutions and has held a number of executive management roles in Flex Europe. Prior to joining Flex in 2001, Mr. Barbier was Vice President of Alcatel Mobile Phone Division. Mr. Barbier holds an Engineering degree in Production from Couffignal School in Strasbourg.

Scott Offer. Mr. Offer has served as our Executive Vice President and General Counsel since September 2016. Previously, he served as Senior Vice President and General Counsel at Lenovo from January 2016 until August 2016 and had served as Chief Counsel for the Lenovo Mobile Business Group since October 2014. Prior to that, he served as Senior Vice President and General Counsel, Motorola Mobility, a Google company, from August 2010 and Senior Vice President and General Counsel, Motorola Mobility, Inc. from July 2010. Prior to that, he held several senior positions at Motorola. Prior to joining Motorola, he worked for the law firm of Boodle Hatfield. He received his law degree from the London School of Economics and Political Science and is qualified as a lawyer in the United Kingdom and United States.

Paul J. Humphries. Mr. Humphries has served as our President, High Reliability Solutions since April 2011. From April 2006 to April 2011, Mr. Humphries served as our Executive Vice President of Human Resources. Prior to that Mr. Humphries served as SVP Global Operations for our mechanicals business unit from April 2000 to April 2006. He holds a BA (Hons) in Applied Social Studies from Lanchester Polytechnic (now Coventry University) and post-graduate certification in human resource management from West Glamorgan Institute of Higher Education. Mr. Humphries also serves as a director of Superior Industries International, Inc. and Chairman of the board of directors of the Silicon Valley Education Foundation.

Douglas M. Britt. Mr. Britt has served as President, Flex Integrated Solutions (FIS) since April 2018. FIS is a combination of three business groups including: Industrial and Emerging Industries (IEI), Communications & Enterprise Compute (CEC), and Consumer Technologies Group (CTG). Prior to that, from February 2012, he served as our President of IEI. From May 2009 to November 2012, Mr. Britt served as Corporate Vice President and Managing Director of Americas for Future Electronics, and from November 2007 to May 2009, he was Senior Vice President of Worldwide Sales, Marketing, and Operations for Silicon Graphics. From January 2000 to October 2007, Mr. Britt held positions of increasing responsibility at Solectron Corporation, culminating his career there as Executive Vice President, and was responsible for Solectron's customer business segments including sales, marketing and account and program management functions. Mr. Britt earned a bachelor's degree in business administration from California State University, Chico, and attended executive education programs throughout Europe, including at the University of London.

David P. Bennett. Mr. Bennett has served as our Principal Accounting Officer since July 2013. Mr. Bennett served as Vice President, Finance from 2009 to 2014, Corporate Controller from 2011 to 2013 and Senior Vice President, Finance from 2014. Prior to joining us in 2005, he was a Senior Manager at Deloitte and Touche LLP. Mr. Bennett is a certified public accountant and earned a B.S. in Business and Administration with an emphasis in Accounting and Finance from the University of Colorado Boulder.

COMPENSATION COMMITTEE REPORT

The information contained under this "Compensation Committee Report" shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any filings under the Securities Act or under the Exchange Act, or be subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate this information by reference into any such filing.

The Compensation Committee of the Board of Directors of the Company has reviewed and discussed with management the Compensation Discussion and Analysis that follows this report. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement for the 2018 annual general meeting of shareholders.

Submitted by the Compensation Committee of the Board of Directors:

Daniel H. Schulman
Lay Koon Tan
Willy C. Shih, Ph.D.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this Compensation Discussion and Analysis (CD&A) section, we discuss the material elements of our compensation programs and policies, including our overall compensation philosophy, program objectives and how and why the Compensation Committee of our Board arrived at specific compensation policies and decisions involving our Named Executive Officers (NEOs). The fiscal year 2018 compensation of our NEOs is provided in the Summary Compensation Table and other compensation tables in this Proxy Statement. These officers and their titles as of the end of fiscal year 2018 are:

Name	Position
Michael M. McNamara	Chief Executive Officer
Christopher Collier	Chief Financial Officer
Francois P. Barbier	President, Global Operations and Components
Paul Humphries	President, High Reliability Solutions
Scott Offer	Executive Vice President and General Counsel

This CD&A is organized into the following key sections:

- Executive Summary;
- Compensation Philosophy;
- Compensation Setting Process and Decisions for Fiscal Year 2018; and
- Fiscal Year 2018 Executive Compensation

Executive Summary

Business Overview

We are a globally-recognized provider of *Sketch-to-Scale*® services—innovative design, engineering, manufacturing and supply chain services and solutions—from conceptual sketch to full-scale production. We design, build, ship and service complete packaged consumer and enterprise products, from athletic shoes to electronics, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

Segment	Product Categories
Communications & Enterprise Compute (CEC)	• Telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; • Networking business, which includes optical, routing, broadcasting, and switching products for the data and video networks; • Server and storage platforms for both enterprise and cloud-based deployments; • Next generation storage and security appliance products; and • Rack level solutions, converged infrastructure and software-defined product solutions.
Consumer Technologies Group (CTG)	• Consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion and apparel, and mobile devices; and • Various supply chain solutions for notebook personal computers, tablets, and printers.

Segment	Product Categories
Industrial and Emerging Industries (IEI)	• Energy including advanced metering infrastructure, energy storage, smart lighting, electric vehicle infrastructure, smart solar energy, semiconductor and capital equipment, office solutions, industrial, home and lifestyle, industrial automation, and kiosks.
High Reliability Solutions (HRS)	• Health solutions business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; and • Automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies.

Over the past several years, Flex has embarked on a long-term strategy focused on portfolio evolution and driving higher value-added services that align with our customers' needs and requirements in order to improve operating and financial results, including improving profit margins, generating sustainable cash flow, and producing solid returns on invested capital. As we have continued to evolve our portfolio and *Sketch-to-Scale*® strategy, we also remain thoughtful around how we are allocating capital in order to capture future profitable growth as we expand into new businesses and markets. Our revenue growth momentum is being fueled by continued receptivity from customers that recognize and take advantage of our unique scale and cross-industry integrated solutions, providing us with consistent operating cash flow that enables us to operate, invest, and grow our business. We continue to improve and expand our design capabilities and reference platforms for new products and markets, which are leading to many new customer and business opportunities. These strategic efforts have provided us with strong year-over-year revenue growth and record high adjusted operating profits for our IEI and HRS businesses. Our strategic partnership with Nike, which provides us with access to a significant market expansion outside of our core electronics focus, has not yet generated our targeted operating margin and hence has had the effect of depressing overall margins. Fiscal year 2018 was an important investment year for Flex on multiple fronts in addition to Nike, as we positioned the Company to be faster, more responsive, and adaptive. Our investments in the future positioned us well to capture enhanced top-line growth in fiscal year 2018 and we anticipate the investments will lead to continued improvements in revenue, adjusted operating profit, and adjusted EPS in the year to come.

Performance Highlights For Fiscal Year 2018

We achieved overall top-line growth from expanding our *Sketch-to-Scale*® strategy while also pursuing an aggressive period of strategic capital expenditures and business realignment. This fiscal year 2018 growth was strongest in our higher margin and higher complexity IEI and HRS segments, where year-over-year revenue growth was 20% and 15%, respectively. This growth is critical to our financial optimization as these segments drive better visibility and longer product life cycles. As expected, revenue declined in our CEC segment as legacy businesses continued to shrink while being partially offset by growth from new areas such as cloud data center and converged products. CTG segment revenues were up nearly 10% during fiscal year 2018, while its adjusted operating margins declined during the same period due to investments and losses from our Nike strategic partnership. Our increased level of capital expenditures and net working capital have pressured our cash flow. Fiscal year 2018 highlights[3] include:

- We achieved net sales of $25.4 billion, an increase of 7% compared to the prior year. In addition, through the end of fiscal year 2018, we have delivered five straight quarters of year-over-year revenue growth.
- Adjusted operating profit was $786.5 million, a 3.5% decrease as compared with fiscal year 2017.

(3) See Annex A to this proxy statement for a reconciliation of non-GAAP and GAAP financial measures.

- We delivered adjusted EPS of $1.09 per share, a 6.8% decrease as compared with the prior year.
- Adjusted gross profit totaled $1.7 billion, an increase of 1.9% compared to the prior year.
- Adjusted gross margin was 6.7% of net sales in fiscal year 2018, compared with 7.0% of net sales in fiscal year 2017.
- We generated operating cash flows of $753.6 million during the year. The cash flow generated from our operations enabled us to return value to shareholders with the repurchase of $180.0 million of our shares in fiscal year 2018.
- We realized free cash flow of $236.4 million which was down from the prior year primarily due to higher capital expenditures of $517.2 million, higher working capital usage, and lower overall profitability.

With the above results, we had a fiscal year 2018 TSR that was well below expectations, though we have delivered TSR of nearly 29% over the past three fiscal years, which approximates the median of the firms that were in the S&P 500 over the same time period. Over the last five years, we have generated TSR of over 140%, which is in the top quartile of the S&P 500.

Pay and Performance Alignment For Fiscal Year 2018

Our compensation philosophy is to reward above-target performance when achieved, and pay zero or below target when targeted results are not delivered.

Highlights include:

- We maintained all NEOs' base salaries with no increase, positioned in the aggregate at approximately the peer group median.
- In light of overall Company performance and in accordance with the Company's governance principles, the Board exercised its discretion to reduce to zero the fourth quarter fiscal 2018 incentive bonus payouts for our NEOs, with the exception of Mr. Humphries, resulting in annual incentive bonus payouts at 89.3% of target for the NEOs (except for Mr. Humphries, who earned 159.2% of target driven by exceptional results in the HRS business). Additionally, PSU and service-based RSU awards granted to the NEOs on June 19, 2018 were reduced by 15%.
- We paid out the long-term PSU cycle during fiscal year 2018 at 200% of target in June 2017 based upon TSR results that were at the 81st percentile over the three-year performance cycle that began in June 2014, which exceeded the maximum level of the performance goal range. The Flex three-year FCF PSU and long-term cash incentive cycle paid out at 73.9% of target, reflecting Flex's more aggressive operating targets and the shift towards an investment strategy in fiscal year 2018.
- We funded the NEOs' deferred compensation plans with a value that averaged 26.3% of our NEOs' respective base salaries based on fiscal year 2018 results.
- We continued to use fiscal year 2018 long-term incentive grants that balance relative TSR PSUs with an LTIP that measures cumulative FCF over a multi-year period (from fiscal year 2018 through fiscal year 2020).

Prior Say-on-Pay Advisory Vote Results and Shareholder Engagement

In the normal course of Flex's business, we have communications with shareholders about both our business and our executive compensation programs. During fiscal year 2018, we interacted with holders of approximately 93% of our share voting power. We also provided shareholders with a "say-on-pay" advisory vote on executive compensation at our 2017 annual general meeting held on August 15, 2017. The advisory vote received the support of approximately 94% of the votes cast at the General Meeting. Based on both the outcome of the "say-on-pay advisory vote" and our direct discussions with shareholders, we continue to believe that the underlying structure and implementation of our executive compensation program is sound and provides proper pay-for-performance alignment. We have been asked to more tightly manage our overall share grant levels relative to performance delivered, which we have done and will continue to do (see *Responsible Share Granting Approach* section below).

Based on the favorable prior “say-on-pay” results, shareholder feedback on existing programs, and our review of the alignment of our pay program design with business results, we continued the structure of our fiscal year 2017 compensation programs in fiscal year 2018. Going forward, we will continue to evaluate our alignment between our compensation strategy and our business objectives, with a strong focus on ensuring that the pay programs reinforce the need to achieve strong performance levels and shareholder value growth.

In addition to providing shareholders with a “say-on-pay” advisory vote, in 2017, we provided shareholders with an advisory vote regarding the frequency of “say-on-pay” advisory votes. Approximately 99% of the votes cast at the 2017 annual general meeting were in favor of continuing to hold “say-on-pay” advisory votes every year.

Impact of Business Performance on Fiscal Year 2018 Executive Compensation

Our performance resulted in the payment of approximately 89.3% of target our NEOs’ at-risk short-term incentive compensation (other than for Mr. Humphries who earned 159.2% of target driven by exceptions results in the HRS business). With our very strong multi-year shareholder returns as of June 2017, our three-year relative TSR PSUs paid out at maximum, or 200% of target, while our FCF PSU and long-term cash incentive cycle paid out at 73.9%, reflecting Flex’s shift towards a strategic investment strategy during fiscal year 2018 which reduced the payouts that would have been achieved without this shift. The Compensation Committee believes that the actual compensation earned by our NEOs is appropriate and consistent with our pay-for-performance philosophy. The table below describes the key elements of our executive compensation program and the key actions taken by the Compensation Committee with respect to the compensation of the NEOs for fiscal year 2018:

Pay Component	Description	Fiscal Year 2018 Considerations
Base Salary	• Annual fixed cash component based on individual performance, level of experience and expected future performance and contributions to the Company.	• Maintained the NEOs’ base salaries with no increase, which approximates peer median.
Short-Term Cash Incentives	• Variable cash awards based on achievement of annual objectives based on pre-established financial performance goals related to the Company and business unit with 50% of the payouts based on achievement of quarterly targets and 50% based on achievement of annual targets. The Board or the Compensation Committee retains discretion to reduce bonus payouts.	• CEO payout earned, and that of most other NEOs, was 89.3% of target, reflecting operating performance that mostly met objectives. Mr. Humphries earned 159.2% of target driven by exceptional results in the HRS business.

Pay Component	Description	Fiscal Year 2018 Considerations
Long-Term Incentive Programs	• Long-term incentives represent approximately 76% of our CEO's target total compensation and averages 66% of target pay for our other NEOs. • PSUs which represent 25% (at target) of the total long-term incentive award are measured based upon the Company's total shareholder return versus that of the S&P 500. • Performance-based cash incentives (and, in the case of the CEO only, PSUs) which represent another 25% (at target) of the total long-term incentive award are measured based upon the Company's performance against a pre-established three-year FCF target. • Service-based restricted share units (RSUs) represent 50% of the total long-term incentive award and provide for vesting over a four-year period with 25% vesting each year. • Long-term cash incentives under our Deferred Compensation Plan.	• The fiscal year 2018 long-term incentive grants provide a balance of performance-based awards and long-term shareholder alignment. • The relative TSR PSUs create strong pay-for-performance alignment by measuring direct shareholder outcomes, while the FCF LTIP encourages management to deliver stable free cash flow in order to enhance shareholder value. • Achieved 3-year relative TSR versus the S&P 500 of over the 81st percentile as of June 2017 and paid out the three-year relative TSR PSUs that vested in June 2017 at 200% of target. • Paid out the FY16-FY18 FCF PSU and long-term cash incentives at 73.9% of target, reflecting Flex's strategic investment strategy during FY2018, which reduced the payouts. • Funded our Deferred Compensation Plan with a value that averaged about 26.3% of our NEOs' respective base salaries based on fiscal year 2018 results. • No Elementum profits interests were granted to NEOs in FY2018.

Fiscal Year 2019 Executive Compensation Plan Changes

Going forward, for fiscal year 2019, we elected to remove the FCF measure from our performance-based long-term incentive plan, which had previously represented 25% of the total long-term incentive opportunity and 50% of the performance-based target awards. For fiscal year 2019 grants, our performance-based target awards will instead focus exclusively on our 3-year relative TSR results versus the S&P 500. This change was made based on an ongoing effort to provide enhanced alignment with shareholder outcomes and enable greater flexibility in adapting to rapidly evolving customer needs and market dynamics.

Compensation Philosophy

Flex's compensation philosophy is to pay for performance. Our pay programs are designed to align executives' compensation with performance against the Company's short-term and long-term performance objectives and the creation of shareholder value. A key objective of our compensation programs is to attract, retain and motivate superior executive talent who are key to the Company's long-term success by paying for the achievement of meaningful Company objectives, balancing the achievement of incentives with the need to avoid excessive or inappropriate risk-taking, and maintaining an appropriate cost structure. We actively manage our pay-for-performance philosophy through the following elements:

Element	Overview
Substantial Emphasis on At-Risk Compensation	• Programs are designed to link a substantial component of our executives' compensation to the achievement of pre-determined performance goals that directly correlate to the enhancement of shareholder value. • 92% of our CEO's target total direct compensation is either at-risk or long-term, and an average of 84% of our other NEOs' target total direct compensation is either at-risk or long-term. • 100% of at-risk or performance-based compensation is based on achievement of core financial metrics or is subject to market risk based on stock price performance, and is not based on individual performance. • The Board, or the Compensation Committee if so delegated by the Board, maintains the authority to reduce annual incentive bonus payouts upon evaluation in the context of the Company's overall performance.
Market-Based, Responsible Target Pay	• We regularly benchmark pay against a set of industry peers. • Base salaries are generally positioned at approximately the market median for our NEOs to manage fixed costs and emphasize paying for performance. • Overall target total direct compensation was positioned at approximately the 60th percentile for our NEOs in fiscal year 2018.
Balanced Performance Metrics and Measurement Time Frames	• With the rapid pace and dynamic nature of our business, it is necessary to actively measure short-term results across a range of metrics, though with progressively greater emphasis on long-term performance for senior leaders. • We measure both quarterly and annual results for revenue, adjusted operating profit (OP), return on invested capital (ROIC), and adjusted EPS because we believe these reinforce the need to achieve strong top line results, deliver profitability, and manage capital efficiently. • For our long-term incentive plans, we also measured multi-year free cash flow and TSR relative to the S&P 500. Beginning with fiscal year 2019, the performance-based portion of our long-term plans will be based 100% on TSR relative to the S&P 500.

Element	Overview
Majority Focus on Long-Term Performance	• While measurement of short-term results maintains day-to-day focus, we believe that shareholder value is built over the long-term. • As such, senior leaders are compensated through progressively greater emphasis on performance-based long-term incentives. • 76% of our CEO's fiscal year 2018 target total direct compensation was through long-term incentives, of which 53% was linked to achievement of long-term operating and TSR performance goals. • 66% of our other NEOs' target total pay was through long-term incentives, of which 53% was linked to achievement of long-term operating and TSR performance goals. • We maintain share ownership guidelines to enforce alignment with shareholder results, and have recoupment policies in place.

Compensation Setting Process and Decisions for Fiscal Year 2018

Alignment with Compensation and Corporate Governance Best Practices

The Compensation Committee regularly reviews our compensation programs, peer company data and best practices in the executive compensation area. We have adopted corporate governance and compensation practices and policies that our Board believes help to advance our compensation goals and philosophy, including the following:

HIGHLIGHTS OF EXECUTIVE COMPENSATION PRACTICES

What We Do	What We Don't Do
✓ Maintain a Compensation Committee comprised of completely independent members with a robust and independent review process.	✗ We do not provide employment agreements. None of our NEOs has an employment agreement.
✓ Use a pay-for-performance executive compensation model that focuses primarily on corporate performance with a significant portion of executive compensation at-risk and/or long-term.	✗ We do not allow hedging or short sales of Company equity, nor do we permit pledging of Company equity as collateral for loans.
✓ Target fixed compensation at our peer median and allow for greater levels of actual total direct compensation based on performance.	✗ We do not provide excessive or non-customary executive perquisites.
✓ Maintain a reasonable share burn rate. During fiscal year 2018, we granted share-based awards representing approximately 1.0% of shares outstanding.	✗ We do not maintain a severance plan for our NEOs, whether or not in connection with a change in control.
✓ Maintain a clawback policy to recoup compensation paid to an executive officer in the event of a material restatement of financial results where a covered officer engaged in fraud or misconduct that caused the need for the restatement.	✗ We do not have single trigger accelerated vesting of equity awards upon a change in control.
✓ Retain an independent compensation advisor.	✗ We do not maintain a supplemental executive retirement plan (SERP).
✓ Consider shareholder advisory votes and views in determining executive compensation strategies.	✗ Our 2017 Plan prohibits "share recycling" and options/SAR repricing (including cash buyouts).
✓ Maintain share ownership guidelines for NEOs and Board Directors.	✗ We do not pay dividends or dividend equivalents on our unvested restricted share units.

Compensation Committee

The Compensation Committee periodically assesses our compensation programs to ensure that they are appropriately aligned with our business strategy and are achieving their objectives. The Compensation Committee also reviews market trends and changes in competitive pay practices. Based on its review and assessment, the Compensation Committee from time to time recommends changes in our compensation programs to our Board. The Compensation Committee is responsible for recommending to our Board the compensation of our Chief Executive Officer and all other executive officers. The Compensation Committee also oversees management's decisions concerning the compensation of other Company officers, administers our equity compensation plans, and evaluates the effectiveness of our overall executive compensation programs. Our committee also reviews the Company's talent assessment and succession planning.

Independent Consultants and Advisors

The Compensation Committee has the authority to retain and terminate any independent, third-party compensation consultants and to obtain advice and assistance from internal and external legal, accounting and other advisors. For fiscal year 2018, the Compensation Committee engaged Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. in connection with its fiscal year 2018 compensation review, as its independent advisers for certain executive compensation matters. Mercer was retained by the Compensation Committee to provide an independent review of the Company's executive compensation programs, including an analysis of both the competitive market and the design of the programs. More specifically, Mercer furnished the Compensation Committee with reports on peer company practices relating to the following matters: short and long-term compensation program design; annual share utilization and shareowner dilution levels resulting from equity plans; and executive share ownership and retention values. As part of its reports to the Compensation Committee, Mercer recommends our selected peer companies, and provides competitive compensation data and analysis relating to the compensation of our Chief Executive Officer and our other executives and senior officers. Mercer also assisted the Compensation Committee with its risk assessment of our compensation programs during fiscal year 2018, and advising on the methodology used for our 2018 CEO pay ratio disclosure.

Mercer is owned by Marsh & McLennan Companies, Inc., a multi-services global professional services firm providing advice and solutions in risk, strategy and human capital. For a discussion of amounts paid to Mercer for executive and director compensation consulting services and amounts paid to MMC (which includes Marsh & McLennan Companies, Inc. and its affiliates) for non-executive and non-director compensation consulting services, please see, "*Board Committees—Compensation Committee—Relationship with Compensation Consultants*." The Compensation Committee has determined that the provision by MMC of services unrelated to executive and director compensation matters in fiscal year 2018 was compatible with maintaining the objectivity of Mercer in its role as compensation consultant to the Compensation Committee and that the consulting advice it received from Mercer was not influenced by MMC's other relationships with the Company. The Compensation Committee has retained Mercer as its independent compensation consultant for fiscal year 2019 and expects that it will continue to retain an independent compensation consultant on future executive compensation matters.

Role of Executive Officers in Compensation Decisions

The Compensation Committee makes recommendations to our Board on all compensation actions relating to our executive officers. As part of its process, the Compensation Committee meets with our Chief Executive Officer and other executives to obtain recommendations with respect to the structure of our compensation programs, as well as an assessment of the performance of individual executives and recommendations on compensation for individual executives. As discussed in greater detail below under "*Fiscal Year 2018 Executive Compensation—Incentive Bonus Plan*," our Chief Executive Officer and other executives develop recommendations for performance measures and target payout opportunities under our incentive bonus plan based on management's business forecast both at the Company and business unit levels, which are reviewed and approved by our Board.

Competitive Positioning

In arriving at its recommendations to our Board on the amounts and components of compensation for our Chief Executive Officer and other executive officers, the Compensation Committee considers competitive compensation data prepared by Mercer. The Compensation Committee reviews this data in the context of historical performance and our overall compensation programs and objectives. The Compensation Committee considered the following competitive compensation data for our NEOs:

- Mercer constructed a peer group consisting of 17 companies based on targeting firms with a high degree of complexity in business scale and scope, as well as similar revenues, numbers of employees, and returns on invested capital.
- The Compensation Committee also takes into account Mercer's review of standardized surveys to check the Company's compensation programs against other large high technology and durable goods manufacturing firms to gain an understanding of general compensation practices.

Each year, the peer companies are recommended by the Compensation Committee's independent consultant and approved by the Compensation Committee. For the fiscal year 2018 peer group, Tyco International Ltd was removed as it and another of Flex's peer's, Johnson Controls International plc, merged. The peer group for fiscal year 2018 compensation decisions consisted of the following companies:

Arrow Electronics, Inc.	Applied Materials, Inc.
Avnet, Inc.	Danaher Corporation
Eaton Corporation plc	Emerson Electric Co.
General Dynamics Corporation	Honeywell International Inc.
Illinois Tool Works Inc.	Jabil, Inc.
Johnson Controls International plc	Northrop Grumman Corporation
Raytheon Company	Seagate Technology Public Limited Company
TE Connectivity Ltd.	Western Digital Corporation
Xerox Corporation	

Fiscal Year 2018 Executive Compensation

Total Direct Compensation

Total direct compensation is the sum of base salary, annual incentive bonus payouts and long-term incentive awards, but excludes performance-based contributions to our deferred compensation plan. For the table below, the actual total direct compensation represents the actual bonus earned in each fiscal year plus the grant date fair value of the long-term incentive awards provided in each year (where most realized long-term incentive values are subject to future performance conditions and share price movement). For fiscal year 2018, the actual total direct compensation for all NEOs is generally up over fiscal 2017. For the CEO, the fiscal year 2018 increase is 10.5%, primarily driven by an increase in the LTI grant that is required to be earned over a three-year time period. For Messrs. Collier, Barbier, and Humphries, the pay was up between 3.0% and 7.0%, generally driven by increases in year-over-year short-term incentive compensation earned throughout the year and in the LTI grant that is required to be earned over a three-year time period. In light of overall Company performance and in accordance with the Company's governance principles, the Board exercised its discretion to reduce to zero the fourth quarter fiscal 2018 incentive bonus payouts for our NEOs, with the exception of Mr. Humphries, resulting in annual incentive bonus payouts at 89.3% of target for the NEOs (except for Mr. Humphries, who earned 159.2% of target driven by exceptional results in the HRS business). Additionally, PSU and service-based RSU awards granted to the NEOs on June 19, 2018 were reduced by 15%. Mr. Offer was excluded for this comparison as he was only an executive officer for a portion of fiscal year 2017. No increases were made to base salaries of the NEOs. The changes below reflect our alignment of pay and performance as the fiscal year 2018 financial performance was solid in the context of market conditions, though it fell short of internal expectations.

	Mr. McNamara	Mr. Collier	Mr. Barbier	Mr. Humphries
Actual Total Direct Compensation FY 2017 . . .	$13,704,137	$4,020,092	$3,981,047	$4,513,921
Actual Total Direct Compensation FY 2018 . . .	$15,140,256	$4,302,017	$4,101,349	$4,676,759
Percent change	10.5%	7.0%	3.0%	3.6%

Elements of Compensation

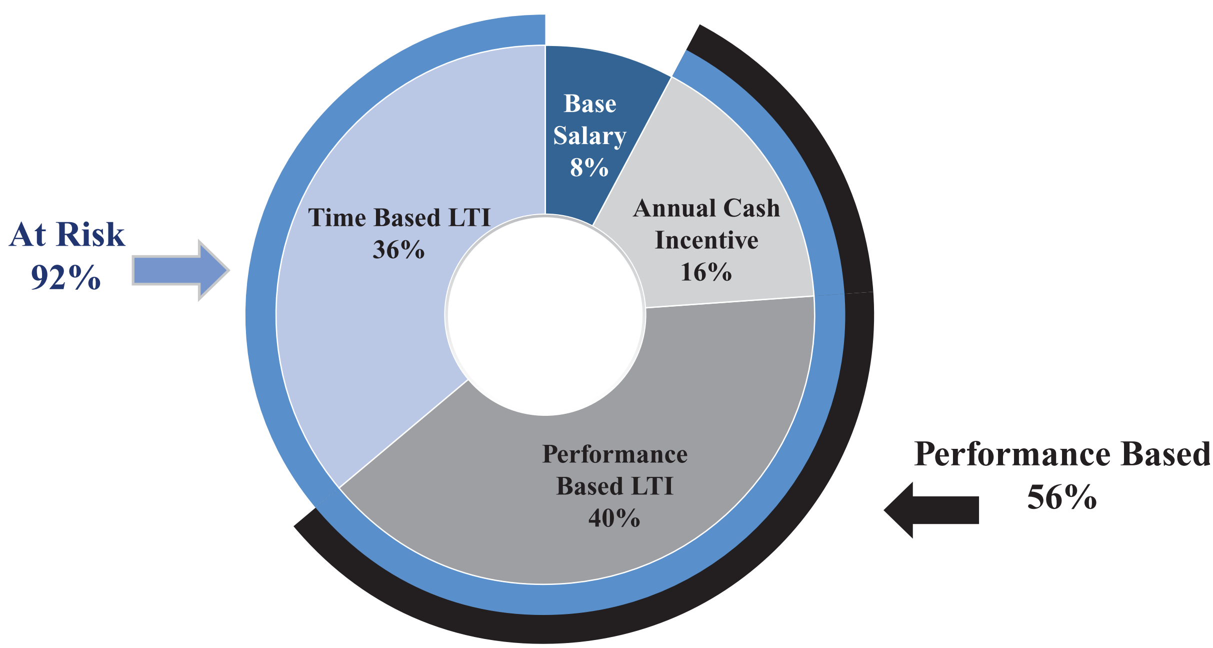
We allocate compensation among the following components for our NEOs:

- base salary;
- annual incentive bonus awards;
- long-term PSU and service-based RSU incentive awards;
- long-term performance-based cash incentive awards;
- performance-based and service-based deferred compensation; and
- other benefits.

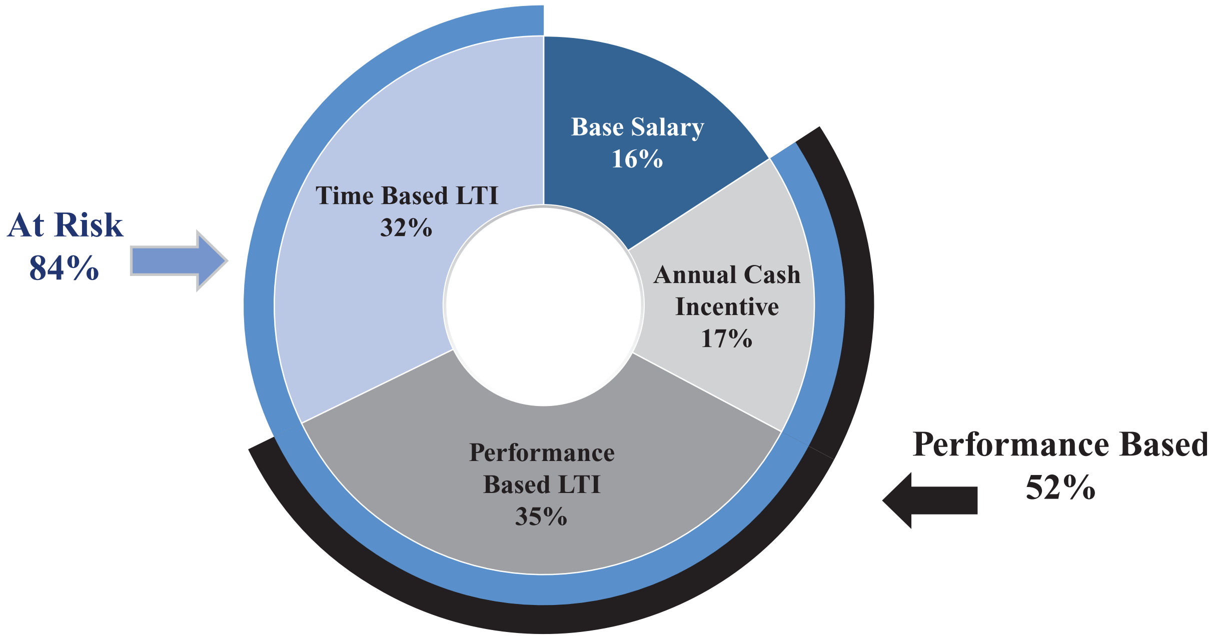
As discussed above, a key element of our compensation philosophy is that a significant portion of executive compensation is performance-based and therefore at-risk. A second key element of our compensation philosophy is that a significant portion of executive compensation is comprised of long-term components in order to align executive compensation with sustained, long-term performance and share price appreciation. Annual incentive compensation, PSUs, performance-based cash incentives, and performance-funded contributions under our deferred compensation plan are compensation that is at-risk because their payouts depend entirely upon performance. Our performance-based compensation elements coupled with service-based RSUs and our service-based deferred compensation plan contributions are designed to provide significant retention and alignment with long-term shareholder value enhancement, as our long-term incentive awards fully vest after periods of three or four years.

The following charts illustrate the mix of our compensation and show that for our Chief Executive Officer, 92% of total target direct compensation is either at-risk or long-term[(1)], and, overall for our other NEOs, 84% of total target direct compensation is either at-risk or long-term[(1)]:

2018 Target Total Direct Compensation
CEO Pay Mix



2018 Target Total Direct Compensation
Average NEO Pay Mix (non-CEO)



(1) Performance-based LTI evaluated using Monte Carlo methodology

Base Salary Levels

The following table sets forth the base salaries of our NEOs in fiscal years 2017 and 2018, as well as the percentage increase (if any) from the prior year:

Name and Title	Base Salary for Fiscal Year 2017	Base Salary for Fiscal Year 2018	Percentage Increase	Peer Group Percentile Approximation
Michael M. McNamara Chief Executive Officer	$1,250,000	$1,250,000	0%	60th
Christopher Collier Chief Financial Officer	$700,000	$700,000	0%	25th – 50th
Francois P. Barbier President, Global Operations and Components	$710,000	$710,000	0%	25th – 50th
Paul Humphries Group President (HRS, DE&I)	$710,000	$710,000	0%	60th
Scott Offer Executive Vice President and General Counsel	$550,000	$550,000	0%	50th

For fiscal year 2018, we maintained our executives' base salaries at levels which are competitive with our peer companies. Our executives' base salaries are based on each individual executive's role and the scope of his responsibilities, also taking into account the executive's experience and the base salary levels of other executives within the Company. No adjustments were made to these base salaries in fiscal year 2018, reflecting the fact that no individual changed roles significantly or was fundamentally misaligned with market. The Compensation Committee typically reviews base salaries every fiscal year and adjusts base salaries to take into account competitive market data, individual performance and promotions or changes in responsibilities. Overall salaries for our NEOs in fiscal year 2018 positioned our aggregate base salaries at approximately the median of our peer companies.

Incentive Bonus Plan

Our quarterly and annual incentive payouts are based entirely on achievement of financial performance objectives and are linked to achievements of the following performance metrics:

- revenue growth targets;
- adjusted operating profit targets;
- return on invested capital targets; and
- adjusted earnings per share targets.

For fiscal year 2018, the Company's performance levels with respect to the above performance metrics exceeded targeted amounts for some metrics and fell below targeted amounts against others (see table below). The overall corporate business results ended up below our performance objectives for the year, so payouts were also below target. For Mr. Humphries, performance results included outcomes from the HRS business which he manages, where performance levels exceeded targeted amounts for all metrics and achieved above-target payout levels. The payout levels are as follows:

Name	Fiscal Year 2018 Annual Incentive Bonus as a Percentage of Target Bonus	Fiscal Year 2018 Annual Incentive Bonus Target (Potential Bonus as a percentage of Base Salary)	Fiscal Year 2018 Annual Incentive Actual Bonus
Mr. McNamara	89.3%	200%	$2,232,217
Mr. Collier	89.3%	110%	$687,523
Mr. Barbier	89.3%	110%	$697,345
Mr. Humphries	159.2%	110%	$1,243,727
Mr. Offer	89.3%	90%	$441,979

Through our incentive bonus plan, we seek to provide pay for performance by linking incentive awards to Company and business unit performance. In designing the incentive bonus plan, our Chief Executive Officer and management team develop and recommend performance metrics and targets, which are reviewed and are subject to adjustment by the Compensation Committee and our Board. Performance metrics and payout levels are determined based on management's business forecast both at the Company and business unit levels, as reviewed and approved by the Board. In fiscal year 2018, target levels for performance were set at approximately the levels included in our business forecast. Maximum payout levels were tied to "stretch" levels of performance. As part of the process of setting performance targets, the Compensation Committee reviewed analyst consensus estimates for fiscal year 2018 and confirmed that target performance measures were appropriately aligned with such estimates. Performance measures were based on quarterly and annual targets.

The following table summarizes the key features of our fiscal year 2018 incentive bonus plan:

Feature	Component	Objectives
Performance Targets	• Based on key Company and business unit financial metrics • Measured on annual and quarterly basis — 50% based on achievement of quarterly objectives — 50% based on achievement of annual objectives	• Aligns executive incentives with Company and business unit performance • Rewards achievement of objectives over course of the year by splitting incentives over quarterly and annual performance objectives
Performance Measures	• Revenue growth at the Company and business unit level • Adjusted operating profit at the Company and business unit level • Return on invested capital and adjusted earnings per share targets at the Company level • Measurement level is based on each executive's respective responsibilities, with substantial weighting on business unit financial metrics for business unit executives	• Takes into account executive's responsibility, experience, and expected contributions • Focused on achievement of business performance metrics that directly correlate to business and shareholder value creation • Emphasizes pay for performance by linking individual compensation to Company and/or business unit performance • Promotes accountability by tying payout to achievement of minimum performance threshold
Bonus Payments	• Based entirely on achievement of financial performance objectives • No individual performance component • Target bonus opportunities set at percentage of base salary, based on executive's level of responsibility: — Mr. McNamara's target bonus set at 200% of base salary — Mr. Collier's target bonus set at 110% of base salary — Target bonus for other NEOs set at a range between 90% and 110% of base salary • Quarterly bonuses range from 0% of target to maximum of 200% of target • Annual bonuses range from 0% of target to maximum of 300% of target • No payout awarded for any measure where Company or business unit failed to achieve threshold level for such measure • The Board, or the Compensation Committee if so delegated by the Board, maintains the authority to reduce bonus payouts upon evaluation in the context of the Company's overall performance	• Reflects the Company's emphasis on pay-for-performance by linking individual compensation to financial performance • Similar to other components of the Company's incentive program, by conditioning bonus payments to the achievement of minimum performance threshold, encourages accountability

The Compensation Committee recommended and our Board approved different performance metrics for our Chief Executive Officer, Chief Financial Officer and corporate officers as compared with business unit executives.

The incentive bonus plan award opportunities for each NEO are shown in the Grants of Plan-Based Awards in Fiscal Year 2018 table in "Executive Compensation." In fiscal year 2018, the target incentive bonus awards were set at approximately the 75th percentile of our peer group for Mr. McNamara; and between the 50th and 70th percentiles for the remainder of our NEOs.

Non-GAAP Adjustments

We used adjusted non-GAAP performance measures for our incentive bonus plan in fiscal year 2018. We used adjusted measures to eliminate the distorting effect of certain unusual income or expense items. The adjustments were intended to:

- align award payout opportunities with the underlying growth of our business; and
- avoid outcomes based on unusual items.

In calculating non-GAAP financial measures, we excluded certain items to facilitate a review of the comparability of the Company's operating performance on a period-to-period basis because such items are not, in the Compensation Committee's view, related to the Company's ongoing operational performance. The non-GAAP measures are used to evaluate more accurately the Company's operating performance, for calculating return on investment, and for benchmarking performance against competitors. For fiscal year 2018, non-GAAP adjustments consisted of excluding after-tax stock-based compensation expense, intangible amortization, the deconsolidation of Elementum, distressed customer asset impairments, gains from the sale of our Wink business, loss contingencies, the recognition of a valuation allowance against deferred tax assets offset by the recognition of an associated income tax receivable, and restructuring charges. All adjustments are subject to approval by the Compensation Committee to ensure that payout levels are consistent with performance.

Incentive Awards for the CEO and CFO

Messrs. McNamara and Collier were each eligible for a bonus award based on achievement of quarterly and annual revenue growth, adjusted operating profit, ROIC and adjusted EPS targets. We refer to these performance measures as the "Company performance metrics." The weightings for each of these performance measures were 25%. Mr. McNamara's annual target bonus was 200% of base salary. Mr. McNamara's target percentage of base salary represented no change relative to fiscal year 2017. The bonus target provides total target cash at approximately the 65th percentile of our peer companies. Mr. Collier's bonus target as a percentage of base salary was set at 110% and resulted in total target cash at approximately the median of our peer group.

The following table sets forth the payout level opportunities that were available for Messrs. McNamara and Collier as a percentage of the target award for each performance measure based on different levels of performance. Revenue targets represented year-over-year annual growth targets of -1.8% at the 50% payout level, 2.6% at the 100% payout level, 5.8% at the 200% payout level, and 9.0% at the 300% payout level.

No payout is made if the threshold performance level is not achieved. Targets at the 300% level with respect to the annual bonus reflect sustained performance over the year that are considered to provide stretch targets. For performance levels between 50% and 200% for quarterly bonuses and between 50% and 300%

for the annual bonus presented in the table below, straight line interpolation is used to arrive at the payout level:

	Payout (% Target)			
	50%	100%	200%	300%(1)
Q1 Revenue (in millions)	$5,655.8	$5,907.9	$6,095.2	$6,276.2
Q1 Adjusted OP (in millions)	$173.6	$186.7	$193.6	$197.4
Q1 ROIC	17.0%	19.0%	20.0%	21.0%
Q1 Adjusted EPS	$.24	$.26	$.27	$.28
Q2 Revenue (in millions)	$5,680.8	$5,933.9	$6,122.0	$6,303.9
Q2 Adjusted OP (in millions)	$173.5	$183.5	$190.4	$197.3
Q2 ROIC	17.0%	19.0%	20.0%	21.0%
Q2 Adjusted EPS	$.23	$.26	$.27	$.28
Q3 Revenue (in millions)	$6,190.2	$6,466.1	$6,671.1	$6,869.2
Q3 Adjusted OP (in millions)	$216.0	$225.5	$234.1	$245.6
Q3 ROIC	17.0%	19.0%	20.0%	21.0%
Q3 Adjusted EPS	$.31	$.32	$.34	$.36
Q4 Revenue (in millions)	$5,903.2	$6,166.3	$6,361.7	$6,550.7
Q4 Adjusted OP (in millions)	$202.2	$213.8	$221.9	$229.9
Q4 ROIC	17.0%	19.0%	20.0%	21.0%
Q4 Adjusted EPS	$.29	$.30	$.32	$.33
FY’18 Revenue (in millions)	$23,429.9	$24,474.1	$25,250.0	$26,000.0
FY’18 Adjusted OP (in millions)	$765.3	$809.5	$840.0	$870.2
FY’18 ROIC	17.0%	19.0%	20.0%	21.0%
FY’18 Adjusted EPS	$1.07	$1.14	$1.20	$1.25

(1) The values shown at the 300% level in the above table on a quarterly basis are for illustrative purposes only; the 300% level only applies to the annual component. The actual quarterly component only scales from 0% to 200%.

The following table sets forth the actual quarterly and annual performance and the payout levels (as a percentage of the target award for the quarterly and annual periods) and payout amounts (as a percentage of base salary for the quarterly and annual periods) for Messrs. McNamara and Collier.

Period	Revenue (in millions)	Payout Level %	Adjusted OP (in millions)	Payout Level %	ROIC	Payout Level %	Adjusted EPS	Payout Level %	Total Payout Level %	CEO Actual Payout % (as a % of Base Salary)	CFO Actual Payout % (as a % of Base Salary)
Q1	$6,008	153.6%	$178	66.4%	19.1%	110.0%	$.24	50.0%	95.0%	190.0%	104.5%
Q2	$6,270	200.0%	$188	169.6%	18.2%	79.8%	$.27	200.0%	162.3%	324.7%	178.6%
Q3	$6,752	200.0%	$220	69.7%	17.1%	53.3%	$.31	50.0%	93.2%	186.5%	102.6%
Q4	$6,411	200.0%	$200	0.0%	16.3%	0.0%	$.28	0.0%	50.0%	0.0%	0.0%
FY’18 Annual Component	$25,441	225.5%	$786	74.0%	16.3%	0.0%	$1.09	64.3%	90.9%	181.9%	100.0%
FY’18 Total Payout	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	89.3%	178.6%	98.2%

Consistent with the Company's pay-for-performance approach, the Company recognized the performance against its operating plan in fiscal year 2018 and consequently the short-term incentive compensation total payout levels of our executives increased this year over the prior year.

Payout levels (as a percentage of target) were in line with operational performance at 95.0% for the first quarter, 162.3% for the second quarter, 93.2% for the third quarter and 50% for the fourth quarter. In light of overall Company performance and in accordance with the Company's governance principles, the Board exercised its discretion to reduce to zero the fourth quarter fiscal 2018 incentive bonus payouts for our NEOs, with the exception of Mr. Humphries, due to the exceptional results in the HRS business). For the annual component, the payout level (as a percentage of target) was 90.9%. The total annual bonus payout for our CEO and CFO was 89.3% as a percentage of target, which represents 178.6% for Mr. McNamara and 98.2% for Mr. Collier as a percentage of base salary. Comparatively, in fiscal year 2017, incentive award payouts as a percentage of target were 78.8% of target for Messrs. McNamara and Collier.

Incentive Awards for NEOs other than the CEO and CFO

Mr. Barbier was eligible for a bonus award based on achievement of the quarterly and annual Company performance metrics, with the same weightings as Messrs. McNamara and Collier. Mr. Barbier's annual target bonus was 110% of base salary (inclusive of contributions mandated by French law) and resulted in total target cash at approximately the median of our peer group.

Mr. Offer was eligible for a bonus award based on achievement of the quarterly and annual Company performance metrics, with the same weightings as Messrs. McNamara and Collier. The annual target bonus was 90% of base salary and resulted in total target cash at approximately the median of our peer group.

Mr. Humphries was eligible for a bonus based on achievement of the quarterly and annual Company performance metrics (i.e., the performance measures that applied to Messrs. McNamara and Collier), as well as the business unit performance metrics of total sales, operating profit, and new business wins for our HRS business group. Mr. Humphries' annual target bonus was 110% of base salary and resulted in total target cash at the 61st percentile of our peer group. Actual payout level opportunities ranged from 50% to 200% of target with respect to quarterly metrics and 50% to 300% of target for annual metrics. The weightings of the performance metrics for Mr. Humphries were 20% for the Company performance metrics and 80% for the business unit metrics. Certain business unit metrics were calculated on an adjusted non-GAAP basis consistent with the Company performance metrics. We treat the business unit performance measures as confidential. We set these measures at levels designed to motivate Mr. Humphries to achieve operating results at his business unit in alignment with our business strategy with payout opportunities at levels of difficulty consistent with our Company performance metrics.

The following table sets forth the actual quarterly, annual and total payout levels, both as a percentage of target and of eligible base salary, for Messrs. Barbier, Humphries and Offer:

	F. Barbier	F. Barbier	P. Humphries	P. Humphries	S. Offer	S. Offer
Period	**Payout (% of Target)**	**Actual Payout % (as a % of Base Salary)**	**Payout (% of Target)**	**Actual Payout % (as a % of Base Salary)**	**Payout (% of Target)**	**Actual Payout % (as a % of Base Salary)**
Q1	95.0%	104.5%	134.0%	147.4%	95.0%	85.5%
Q2	162.3%	178.6%	137.4%	151.2%	162.3%	146.1%
Q3	93.2%	102.6%	185.1%	203.6%	93.2%	83.9%
Q4	0.0%	0.0%	118.9%	130.7%	0.0%	0.0%
FY'18 Annual Component	90.9%	100.0%	174.7%	192.1%	90.9%	81.8%
FY'18 Total Payout	**89.3%**	**98.2%**	**159.2%**	**175.2%**	**89.3%**	**80.4%**

Bonuses under our annual incentive bonus plan are based upon the achievement of Company and business unit (in the cases of business unit executives) performance goals. In light of overall Company performance and in accordance with the Company's governance principles, the Board exercised its discretion to reduce to zero the fourth quarter fiscal 2018 incentive bonus payouts for our NEOs, with the exception of Mr. Humphries, resulting in annual incentive bonus payouts at 89.3% of target for the NEOs (except for Mr. Humphries, who earned 159.2% of target driven by exceptional results in the HRS business). Comparatively, in fiscal year 2017, bonus payouts as a percentage of target were 78.8% of target for Mr. Offer (assuming a full year of employment), 78.8% of target for Mr. Barbier, and 144.7% of target for Mr. Humphries.

The Compensation Committee believes that bonuses awarded under our incentive bonus plan appropriately reflected the achievement in the Company's performance targets and appropriately rewarded the performance of the named executive officers.

Long-Term Share- and Cash-Based Incentive Compensation

Restricted Share Unit Awards

The Compensation Committee grants share- and cash-based long-term incentives to our senior executives as an incentive to maximize the Company's long-term performance and shareholder value creation. These long-term incentives are designed to align the interests of the named executive officers with those of our shareholders and provide each individual with a significant incentive to manage the Company from the perspective of an owner, with a direct stake in the business. These awards are also intended to promote executive retention, as unvested long-term share and cash incentives are generally forfeited if the executive voluntarily leaves the Company. Restricted share unit awards are structured as either PSUs, which vest only if pre-established performance measures are achieved, or service-based RSUs, which vest if the executive remains employed through the vesting period. Before the restricted share unit award vests, the executive has no ownership rights in our ordinary shares. The payouts are made in shares, so the value of the award goes up or down based on share price performance from the beginning of the grant, further aligning the interests of the executive with long-term shareholder value creation.

Performance-Based Long-Term Incentive Plans

In fiscal year 2018, the Compensation Committee determined that long-term incentive awards for executives and other senior officers generally would be allocated 50% to service-based RSUs, 25% to PSUs that are earned based upon relative TSR performance versus the S&P 500, and 25% to a long-term incentive plan that measures Flex's cumulative free cash flow (FCF LTIP) over a three-year period from fiscal year 2018 through fiscal year 2020. The actual grant value mix may deviate somewhat from this due to fluctuations in the Monte Carlo valuations for the TSR-based PSUs. For the FCF LTIP, the awards are payable in shares for the CEO, so 50% of his long-term compensation is in the form of PSUs. For the other NEOs, the FCF LTIP is payable in cash. The Compensation Committee believes that this allocation promotes retention, serves to link long-term compensation to the Company's long-term performance and limits the dilutive effect of equity awards. In addition, the Compensation Committee believes that the balance of two different metrics in its long-term incentive plan, coupled with four different metrics within the annual incentive plan provides a beneficial balance of a focus on multiple metrics which contribute to shareholder value creation, and over different time periods. Beginning with fiscal 2019, the Compensation Committee determined to replace the FCF portion of the LTIP with PSU awards based on relative TSR performance to provide enhanced alignment with shareholder outcomes.

Key features of our long-term incentive awards are as follows:

- PSUs: The awards granted in fiscal year 2018 are earned based upon Flex's percentile rank of TSR over a 3-year period against the S&P 500 constituents. The Compensation Committee believes that the relative total shareholder return metric used in the PSUs is a widely accepted investor benchmark that appropriately aligns compensation with performance. The Compensation Committee's expectation is also that if Flex demonstrates strong performance in the four metrics measured in the short-term incentive plan plus the FCF metric in the long-term plan, then TSR results should also be strong (and vice versa). The number of shares earned is dependent on the percentile rank achieved based on the table below:

S&P 500 TSR Percentile Rank	Shares Earned
>75th Percentile	200% of target
50th – 75th Percentile	Interpolate
50th Percentile	100% of target
30th – 50th Percentile	Interpolate
30th Percentile	25% of target
<30th Percentile	0% of target

- Free Cash Flow LTIP: The 2018 grants are earned based on Flex's performance against pre-established cumulative Free Cash Flow goals over the period from fiscal year 2018 through fiscal year 2020. The Compensation Committee believed the three-year Free Cash Flow target was an important liquidity metric because it measures the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions, repurchase Company shares and to use for certain other activities. The Compensation Committee will assess goal achievement for the 2018 grant cycle and approve awards for the NEOs at the end of the performance cycle following the close of fiscal year 2020. As previously mentioned, the Compensation Committee determined to replace the FCF portion of the LTIP with PSU awards based on relative TSR performance, starting in fiscal year 2019, to provide enhanced alignment with shareholder outcomes. Awards will be measured on a straight line sliding scale as follows:

% of Goal Achieved	<77%	77%	100%	157% and above
% of Target Paid	0%	50%	100%	200%

- Service-based RSUs: Awards granted in fiscal year 2018 vest in four installments of 25% on each of the first through fourth anniversary of the grant date.

The PSUs provide that in the event of a qualifying retirement, a pro-rata number of vested shares shall be issued upon the vesting of the PSU pursuant to the performance criteria, with the number of shares that vest determined by multiplying the full number of shares subject to the award by a fraction equal to (x) the number of complete months of continuous service as an employee from the grant date of the award to the date of retirement, divided by (y) the number of months from the grant date to the vesting/release date; provided, further, that if within twelve months of retirement, the executive officer violates the terms of a non-disclosure agreement with, or other confidentiality obligation owed to, the Company or any subsidiary or affiliate, then the award and all of the Company's obligations and the executive officer's rights under the award terminate. For purposes of the awards, "Retirement" means the executive officer's voluntary termination of service after the executive officer has attained age sixty (60) and completed at least ten (10) years of service as an employee of the Company or any subsidiary or affiliate. At the current time, Messrs. McNamara and Humphries are the only NEOs that satisfy the retirement criteria.

The size of the total long-term equity incentive award to each executive officer generally is set at a level that is intended to create a meaningful opportunity for share ownership based upon the individual's current position with the Company, but the Compensation Committee and Board also take into account (i) the individual's potential for future responsibility and promotion over the term of the award, (ii) the individual's performance in recent periods, and (iii) the number of restricted share unit awards and options held by the individual at the time of grant. In addition, the Compensation Committee and Board consider competitive equity award data, and determine award size consistent with the Compensation Committee's and our Board's objective of setting long-term incentive compensation at a competitive level in relation to our peer companies, subject to individual variances. The Compensation Committee and Board also consider annual share usage and overall shareholder dilution when determining the size of equity awards.

Elementum Profits Interests Units

We own substantially all of the equity in Elementum Holding Ltd ("Holdco"), which in turn is a significant shareholder of Elementum SCM (Cayman) Ltd ("Elementum"), along with other investors not affiliated with us. Elementum is a privately-held software development company founded in 2012 by Flex and some of our former employees to address the challenges facing global supply chains. At its founding, we reserved 3.8% of Flex's interest in Holdco as "profits interests," which are rights to receive a specified percentage of the appreciation that Flex realizes from its holdings in Holdco. In prior years, certain NEOs were awarded profits interests in Elementum. However, in fiscal year 2018, no profits interests were awarded to our NEOs.

Grants During Fiscal Year 2018

The number of TSR-based PSUs and service-based RSUs as well as, in the case of Mr. McNamara, the FCF-based PSUs granted to him in fiscal year 2018, the grant-date fair value of these equity awards, and the threshold, target and maximum FCF Cash LTIP opportunities for the NEOs (other than Mr. McNamara) are shown in the Grants of Plan-Based Awards in Fiscal Year 2018 table.

As part of the annual compensation review process, the Compensation Committee recommended and the Board approved the following PSUs, service-based RSUs and FCF Cash LTIP awards to our named executive officers in fiscal year 2018. The award is an intended 50-50 split between PSUs (at target) and service-based RSUs for Mr. McNamara, who received 336,597 time-vested RSUs and 336,597 PSUs. As explained above under "*—Performance-Based Long-Term Incentive Plans*," the share-based awards for Messrs. Collier, Barbier, Humphries and Offer are split 33-67 between PSUs and service-based RSUs, with 25% of the total target award in the form of FCF Cash LTIP awards. Mr. Collier received 126,223 RSUs and a target FCF LTIP award of $687,500; Mr. Barbier received 116,674 RSUs and a target FCF LTIP award of $635,488, Mr. Humphries received 117,931 RSUs and a target FCF LTIP award of $642,338, and Mr. Offer received 80,323 RSUs and a target FCF LTIP award of $437,500.

Long-Term Incentive Awards

Executive Officer	TSR-Based PSUs (Shares)	FCF-Based PSUs (Shares)	FCF Cash LTIP (Target Value)	Service-based RSUs (Shares)
Michael M. McNamara	168,299	168,298	—	336,597
Christopher Collier	42,074	—	$687,500	84,149
Francois P. Barbier	38,891	—	$635,488	77,783
Paul Humphries	39,310	—	$642,338	78,621
Scott Offer	26,774	—	$437,500	53,549

Taking these programs into account, Mr. McNamara's intended total target direct compensation for fiscal year 2018 was set at approximately the 60th percentile of our peer companies, and the aggregate total target direct compensation for our remaining NEOs was set at approximately the 55th percentile of our peer companies. The actual disclosed value of the TSR-based equity awards in the Summary Compensation Table (SCT) was somewhat above the intended value due to fluctuations in the Monte Carlo valuation. The intended grant date value was calculated as the target number of shares multiplied by the share price at grant. The SCT disclosed value was above this level due primarily to the fact that our TSR performance was above that of most of the S&P 500 comparator firms at the time of the valuation, thereby causing a higher Monte Carlo valuation for the awards. The actual value to be earned will be dependent on Flex's multi-year TSR performance versus the S&P 500. The following table reconciles the intended versus the SCT disclosed values.

	Reconciliation of Intended versus Disclosed Summary Compensation Table Value					
	TSR-Based PSUs Grant Value		Total Long-term Incentives		Total Direct Compensation	
Executive Officer	Intended	SCT Disclosed	Intended	SCT Disclosed	Intended	SCT Disclosed
Michael M. McNamara	$2,750,006	$3,408,055	$10,999,990	$11,658,039	$14,749,990	$15,140,256
Christopher Collier	$ 687,489	$ 851,999	$ 2,749,984	$ 2,914,494	$ 4,219,984	$ 4,302,017
Francois P. Barbier	$ 635,479	$ 787,543	$ 2,541,941	$ 2,694,005	$ 4,032,941	$ 4,101,349
Paul Humphries	$ 642,325	$ 796,028	$ 2,569,330	$ 2,723,033	$ 4,060,330	$ 4,676,759
Scott Offer	$ 437,487	$ 542,174	$ 1,749,978	$ 1,854,665	$ 2,794,978	$ 2,846,644

Payouts of Prior PSUs and FCF LTIP

During fiscal year 2018, the fiscal year 2015 TSR-based PSU completed its applicable performance cycle and was eligible for payouts. The fiscal year 2015 relative TSR PSU grants measured our TSR versus the S&P 500 from June 26, 2014 (the grant date of the fiscal year 2015 awards) through June 26, 2017 (the performance period end). The performance and payout scale for these awards is as follows:

S&P 500 TSR Percentile Rank	Shares Earned
>75th Percentile	200% of target
50th – 75th Percentile	Interpolate
50th Percentile	100% of target
30th – 50th Percentile	Interpolate
30th Percentile	25% of target
<30th Percentile	0% of target

Our TSR performance of 81% as compared to the S&P 500 through the performance period equates to a maximum payout of 200% of target based on the performance scale.

Additionally, Flex's fiscal year 2016 FCF PSU and long-term cash incentive awards, whose performance cycle ran from April 1, 2015 through March 31, 2018 was earned based on performance ending in fiscal year 2018. Flex's cumulative FCF over the performance period was $1.5 billion, which translates to a payment of 73.9% of target, reflecting Flex's aggressive operating targets and the fact that Flex elected to pursue a more aggressive CAPEX strategy in fiscal year 2018 which depressed the results generated from the FCF program.

Fiscal Year 2016 — 2018 FCF Performance Scale	Shares Earned
>= $2.745 billion	200% of target
$1.745 billion – $2.745 billion	Interpolate
$1.745 billion	100% of target
$1.345 billion – $1.745 billion	Interpolate
$1.345 billion	50% of target
< $1.345 billion	0% of target

Responsible Share Granting Approach

Flex is committed to maintaining a responsible share burn rate. From our direct conversations with shareholders, we know that this is a critical factor for them and has a direct impact on the value creation that they can participate in. From a talent perspective, Flex is a technology-driven firm that needs employees that can meet the complex and rapidly evolving demands of its customers. As such, Flex needs to provide equity awards that are competitive in the market for talent that is capable of delivering innovative technology solutions with world class manufacturing and supply chain expertise. In order to ensure responsible equity usage, we:

- Target a broad-based equity strategy that generally aligns with the median of market.
- Conduct regular market analyses, including a detailed all-employee analysis for fiscal year 2018 grant strategy, to ensure alignment with market participation and award opportunity values.
- Use an equity grant strategy that ensures that awards are focused on high performers and those that make a meaningful impact on Flex's business results.
- Provide equity grants only in geographies and at employee levels in which it is a common market practice.
- Include direct performance metrics on more senior level participants, and provide longer-term shareholder alignment for all equity participants with multi-year vesting schedules on restricted stock unit grants.
- Analyze overall equity spend levels relative to peers and the broader market to ensure that total Company grant levels are appropriate from a market perspective.

Through these mechanisms, we continually balance the need to provide competitive equity awards with a strong commitment to limit dilution to shareholders. During fiscal year 2018, we granted non-adjusted share-based awards of 1.0% of our average common shares outstanding. Details of Flex's grant history are outlined in more detail below:

	Service-Based RSU Summary for Fiscal Year Ended March 31,					
	2018		2017		2016	
	Shares	Price	Shares	Price	Shares	Price
Unvested service-based RSUs outstanding, beginning of fiscal year	12,822,943	$11.84	13,167,776	$10.41	14,108,169	$ 8.74
Granted	4,511,910	16.56	5,666,020	12.92	6,495,706	11.89
Vested	(4,247,681)	11.18	(5,097,196)	9.45	(6,522,628)	7.99
Forfeited	(1,015,563)	13.01	(913,657)	11.00	(913,471)	9.42
Unvested service-based RSUs outstanding, end of fiscal year	12,071,609	$14.04	12,822,943	$11.84	13,167,776	$10.41

	PSU Summary for Fiscal Year Ended March 31,					
	2018		2017		2016	
	Shares	Price	Shares	Price	Shares	Price
Unvested PSUs outstanding, beginning of fiscal year	2,875,639	$15.05	3,832,300	$11.99	4,885,083	$ 9.76
Granted	816,397	19.43	912,346	16.60	1,124,016	13.97
Vested / Earned	(1,549,225)	15.30	(1,825,750)	9.39	(2,006,750)	7.77
Forfeited	(322,378)	15.68	(43,257)	15.38	(170,049)	11.01
Unvested PSUs outstanding, end of fiscal year	1,820,433	$16.74	2,875,639	$15.05	3,832,300	$11.99
Weighted-average ordinary shares outstanding	529,782,000		540,503,000		557,667,000	
Gross Shares Granted	5,328,307		6,578,366		7,619,722	
Gross Burn Rate(1)	**1.01%**		**1.22%**		**1.37%**	

(1) For fiscal years 2017 and 2016, the fungible ratio was 1.71.

The “Gross Shares Granted” noted above reflect the number of awards intended to be granted as long-term incentives to be earned over future service and performance periods. Our discussions with shareholders also indicate that some may include the impact of shares released from actual awards earned from prior PSUs. If this perspective is to be considered, our point of view is that it is also relevant to consider the impact of shares that have been forfeited over time in order to provide a more complete view of overall shareholder dilution rates (e.g., shares granted plus/minus actual PSUs earned minus equity awards forfeited). The table below has been furnished to provide a more complete view of net shares granted/earned in recent years:

	Service-Based RSU Summary for Fiscal Year Ended March 31,					
	2018		2017		2016	
	Shares	Price	Shares	Price	Shares	Price
Granted	4,511,910	$16.56	5,666,020	$12.92	6,495,706	$11.89
Forfeited	(1,015,563)	13.01	(913,657)	11.00	(913,471)	9.42
Net Change in Service-based RSUs	3,496,347	$14.04	4,752,363	$11.84	5,582,235	$10.41

	PSU Summary for Fiscal Year Ended March 31,					
	2018		2017		2016	
	Shares	Price	Shares	Price	Shares	Price
Actual Vested / Earned PSUs	1,549,225	$15.30	1,825,750	$ 9.39	2,006,750	$ 7.77

	Net Service-Based RSU and PSU Burn Summary for Fiscal Year Ended March 31,					
	2018		2017		2016	
	Shares	Price	Shares	Price	Shares	Price
Total Net Shares Granted or Released	5,045,572		6,578,113		7,588,985	
Weighted-average ordinary shares outstanding	529,782,000		540,503,000		557,667,000	
Total Net Shares Granted or Released Burn Rate(1)	**0.95%**		**1.22%**		**1.36%**	

(1) For fiscal years 2017 and 2016, the fungible ratio was 1.71.

We believe that the equity grant philosophies and governance mechanisms in place allow us to balance the need to be competitive for overall talent while ensuring that shareholders experience a responsible level of dilution.

Administration of Equity Award Grants

Equity awards are not timed in relation to the release of material information. Our current policy provides that equity grants to non-executive new hires and follow on equity grants to non-executives are made on pre-determined dates five times a year.

Hedging and Pledging Policy

Under our insider trading policy, short-selling, trading in options or other derivatives on our shares or engaging in hedging transactions are prohibited. Our insider trading policy also prohibits using our shares as collateral for margin accounts.

Long-Term Deferred Compensation Awards

Each of the NEOs participates in a deferred compensation plan or arrangement. These plans and arrangements are intended to promote retention by providing a long-term savings opportunity on a tax-efficient basis. The Compensation Committee’s general policy is to target long-term incentive compensation (which is deemed to include share-and cash-based compensation and target annual performance-based contributions to the deferred compensation plan, discussed below) at between the 60th and 65th percentiles of our peer companies, subject to individual variances. Our competitive positioning for long-term incentive compensation is determined in the context of historical performance and our overall compensation programs, including prior incentive awards. For fiscal year 2018, Mr. McNamara's long-term incentive award was targeted at approximately the 60th percentile of our peer companies, and the other named executive officers' long-term incentive awards generally were targeted to be within a range around the 60th percentile of our peer companies as well.

Under the Company's 2010 Deferred Compensation Plan, which replaced both the prior long-term cash incentive awards program and our Senior Executive and Senior Management Deferred Compensation Plans, the Company in its discretion may make annual contributions in targeted amounts of up to an aggregate of 37.5% of each participant's base salary (subject to offsets for non-U.S. executives' pension and other benefits) to a non-qualified deferred compensation account, subject to approval by the Compensation Committee. The contributions are funded 50% based on a percent of base salary and 50% based on performance, using the same performance measures used under the incentive bonus plan. For performance below the threshold payout level under the incentive bonus plan, there will be no performance-based contribution; for performance between the threshold and target payout levels, the Compensation Committee may award a contribution ranging from 50% to 100% of the target performance-based contribution; and for performance above the target payout level, the Compensation Committee may award a contribution of up to 150% for the performance-based portion of the award. Initial contributions and any annual contributions, together with earnings, will cliff vest after four years provided that the participant remains employed by the Company. For purposes of benchmarking compensation, the Compensation Committee treats target cash awards as long-term incentive compensation. Deferred balances under the plan are deemed to be invested in hypothetical investments selected by the participant or the participant's investment manager. Participants may elect to receive their vested compensation balances upon termination of employment either through a lump sum payment or in installments over a period of up to ten years. Participants also may elect in-service distributions through a lump sum payment or in installments over a period of up to five years. The deferred account balances are unfunded and unsecured obligations of the Company, receive no preferential standing, and are subject to the same risks as any of the Company's other general obligations. We do not pay or guarantee above-market returns. The appreciation, if any, in the account balances of plan participants is due solely to the performance of the underlying investments selected by participants.

In addition, initial Company contributions under the 2010 Deferred Compensation Plan for new senior executive participants who did not participate in the prior plans are 50% of base salary and are not tied to Company performance. Thereafter, Company contributions are limited to 37.5%, as described above, of each participant's base salary (subject to offsets for non-U.S. executives' pension and other benefits).

For fiscal year 2018, Messrs. Collier, Humphries, McNamara and Offer each received deferred cash awards with a value that averaged about 26.3% of their 2017 respective base salaries and Mr. Barbier received no deferred cash award.

Voluntary Contributions

Under the 2010 Deferred Compensation Plan, participating officers may defer up to 70% of their base salary and bonus, net of certain statutory and benefit deductions.

Additional Company Contributions

The Company may make a discretionary matching contribution in connection with voluntary deferrals to reflect limitations on our matching contributions under our 401(k) plan.

Additional Information

For additional information about (i) executive contributions to the NEOs' deferral accounts, (ii) Company contributions to the deferral accounts, (iii) earnings on the deferral accounts, (iv) withdrawals under the deferral accounts, and (v) deferral account balances as of the end of fiscal year 2018, see the section entitled "*Executive Compensation—Nonqualified Deferred Compensation in Fiscal Year 2018.*"

Benefits

Executive Perquisites

Perquisites represent a small part of the overall compensation program for the named executive officers. In fiscal year 2018, we paid the premiums on long-term disability insurance for our named executive officers. We also reimbursed Mr. Barbier for costs associated with his international assignment, which are discussed below. In addition, we reimbursed Mr. Barbier for FICA and Medicare taxes due upon the partial vesting of his deferred bonuses during fiscal year 2018. These and certain other benefits are quantified under the "All Other Compensation" column in the Summary Compensation Table.

As discussed above, we currently maintain only the 2010 Deferred Compensation Plan. For amounts vesting under this plan, the executives will be responsible for FICA taxes and the Company will not reimburse the executives for any taxes due upon vesting.

While Company aircraft are generally used for Company business only, our Chief Executive Officer and Chief Financial Officer and their spouses and guests may be permitted to use Company aircraft for personal travel, provided that Company aircraft are not needed for business purposes at such time. We calculate the incremental cost to the Company for use of the Company aircraft by using an hourly rate for each flight hour. The hourly rate is based on the variable operational costs of each flight, including but not necessarily limited to the following: fuel, maintenance, flight crew travel expense, catering, communications, and fees which include flight planning, ground handling and landing permits. No gross-ups are provided. These benefits are quantified under the "All Other Compensation" column in the Summary Compensation Table.

Relocation Assignments

In connection with Mr. Barbier's relocation assignment to the Company's San Jose facility, originally effective August 30, 2010 and amended to provide a continuation of certain benefits as of July 1, 2016, we agreed to reimburse Mr. Barbier for certain relocation expenses incurred by Mr. Barbier, including a housing allowance of $6,600 per month and an auto allowance of up to $1,200 per month until June 30, 2019. These benefits are quantified under the "All Other Compensation" column in the Summary Compensation Table. For Mr. Barbier, the amount includes reimbursement of $213,495 for the incremental taxes due as a result of his relocation to the Company's San Jose facility.

401(k) Plan; French Defined Contribution Pension Plan

Under our 401(k) Plan, all of our employees are eligible to receive matching contributions. Effective fiscal year 2011, we also instituted a new annual discretionary matching contribution. The amount of any discretionary annual contribution will be based on Company performance and other economic factors as determined at the end of the fiscal year. For fiscal year 2018, we elected not to make a discretionary contribution. We do not provide an excess 401(k) plan for our executive officers.

Mr. Barbier participates in defined contribution pension schemes mandated under French law. For fiscal year 2018, the Company made required contributions aggregating approximately $79,063 (this amount been converted into dollars from Euros based on the average exchange rate for the 2018 fiscal year).

Other Benefits

Executive officers are eligible to participate in all of the Company's employee benefit plans, such as medical, dental, vision, group life, disability, and accidental death and dismemberment insurance, in each case on the same basis as other employees, subject to applicable law.

Termination and Change of Control Arrangements

The named executive officers are entitled to certain termination and change of control benefits under their deferred compensation plans and under certain of their equity awards. These benefits are described and quantified under the section entitled "*Executive Compensation—Potential Payments Upon Termination or Change of Control.*"

Under our 2010 Deferred Compensation Plan, vesting of initial and annual awards will accelerate in cases of a change in control only if employment is terminated without cause or by the executive for good reason within two years of the change in control, i.e., "double trigger" accelerated vesting. Under the terms of our 2010 and 2017 equity incentive plans, in the event of a change of control, each unvested restricted share unit award will automatically accelerate, unless and to the extent such award is either to be assumed or replaced. Under the terms of these equity plans, the Compensation Committee has the discretion to provide that certain awards may automatically accelerate upon an involuntary termination of service within a designated time period (not to exceed eighteen months) following a change of control, even if such awards are assumed or replaced. The Compensation Committee believes that these provisions provide our Board with appropriate flexibility to address the treatment of options and restricted share unit awards in a merger or similar transaction that is approved by our Board, while providing appropriate protections to our executives and other employees in transactions which are not approved by our Board.

Executive Share Ownership Guidelines

In fiscal year 2011, to more closely align the interests of our management with those of our shareholders, our Board of Directors, upon the recommendation of the Compensation Committee, adopted share ownership guidelines for all of our executive officers and direct reports of the chief executive officer. The ownership guidelines provide for our NEOs to own a minimum number of our ordinary shares, as set forth below:

Title	Expected to hold a number of shares having a value equal to at least:
CEO:	4 times annual base salary Mr. McNamara currently holds nearly 25 times his base salary
CFO:	2 1/2 times annual base salary
All other NEOs:	1 1/2 times annual base salary

All ordinary shares and vested restricted share units held by our executives, as well as the value of fully-vested stock options (net of the value of taxes), count toward these goals. The guidelines provide for our executives to reach these goals within five years of the date that the Board approved the guidelines or the date they joined the Company, whichever is later, and to hold such a minimum number of shares for as long as he or she remains an officer. The Company has determined that the named executive officers either are in compliance or are on target to be in compliance with the requirements under the guidelines by the applicable deadline.

Executive Incentive Compensation Recoupment Policy

In May 2010, the Compensation Committee recommended and our Board adopted an Executive Incentive Compensation Recoupment Policy. The policy covers our executive officers and direct reports of our Chief Executive Officer, and applies to bonuses or awards under the Company's short and long-term incentive bonus plans, awards under our equity incentive plans, and contributions under our deferred compensation plans where the contributions are based on the achievement of financial results. In the event of a material restatement of financial results where a covered officer engaged in fraud or misconduct that caused the need for the restatement, the Board will have discretion to recoup incentive compensation of any covered officer if and to the extent the amount of compensation which was paid or which vested would have been lower if the financial results had been properly reported. In the case of equity awards that vested based on the achievement of financial results that were subsequently reduced, the Board also may seek to recover gains from the sale or disposition of vested shares (including shares purchased upon the exercise of options that vested based on the achievement of financial results). In addition, the Board will have discretion to cancel outstanding equity awards where the financial results which were later restated were considered in granting such awards. The Board only may seek recoupment in cases where the restatement occurs within 36 months of the publication of the audited financial statements that are restated.

COMPENSATION RISK ASSESSMENT

With the assistance of Mercer, the Compensation Committee reviewed our compensation policies and practices during fiscal year 2018 and determined that our compensation programs do not encourage excessive or inappropriate risk-taking. The Compensation Committee believes that the design and mix of our compensation programs appropriately encourage our executive and senior officers to focus on the creation of long-term shareholder value. In its review, the Compensation Committee noted the following features:

- The Company’s pay levels are generally aligned with market pay levels (i.e., not so low that management would pursue extreme risk to achieve significantly higher pay, nor too high to have excessive incentives to meet or exceed target payouts).
- The Company’s compensation programs utilize best practices designed to mitigate risk, including, but not limited to:
  - ✓ a balanced mix of short-term cash and long-term equity pay;
  - ✓ an incentive programs fund based on a mix of performance metrics and over varying time frames (not just short-term revenue or net income);
  - ✓ a long-term incentive program that includes service-based RSUs and PSUs, where the performance awards require favorable long-term shareholder results to deliver value;
  - ✓ incentive programs that have payout caps and reasonable leverage;
  - ✓ share ownership guidelines and anti-hedging/pledging policies that encourage long-term equity ownership;
  - ✓ our Committee having the ability to exercise discretion over goals; and
  - ✓ a Board-adopted, incentive compensation recoupment policy.

Notice & Proxy Statement

EXECUTIVE COMPENSATION

The following table sets forth the fiscal year 2016, 2017 and 2018 compensation for:

- Michael M. McNamara, our chief executive officer;
- Christopher Collier, our chief financial officer; and
- Francois P. Barbier, Paul Humphries and Scott Offer.

The executive officers included in the Summary Compensation Table are referred to in this proxy statement as our named executive officers or NEOs. A detailed description of the plans and programs under which our named executive officers received the following compensation can be found in the section entitled "*Compensation Discussion and Analysis*" of this proxy statement. Additional information about these plans and programs is included in the additional tables and discussions which follow the Summary Compensation Table.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)(2)	Bonus ($)(3)	Share Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(7)	Total ($)
Michael M. McNamara	2018	$1,250,000	$ —	$11,658,039	$2,232,217	$ 981,288	$ 48,688	$16,170,232
Chief Executive Officer	2017	$1,250,000	$ —	$10,484,437	$1,969,700	$1,045,591	$ 43,877	$14,793,605
	2016	$1,250,000	$481,055	$ 9,432,393	$1,524,874	$ —	$ 55,782	$12,744,104
Christopher Collier	2018	$ 700,000	$ —	$ 2,226,994	$1,149,454	$ 215,588	$ 55,083	$ 4,347,119
Chief Financial Officer	2017	$ 700,000	$ —	$ 2,092,574	$1,228,901	$ 147,039	$ 44,683	$ 4,213,196
	2016	$ 675,000	$126,690	$ 2,039,304	$ 603,850	$ —	$ 46,115	$ 3,490,959
Francois P. Barbier	2018	$ 710,000	$ —	$ 2,058,517	$1,149,483	$ 26,032	$451,681	$ 4,395,713
President, Global	2017	$ 710,000	$ —	$ 2,054,338	$1,185,715	$ 46,979	$470,267	$ 4,467,298
Operations and Components	2016	$ 695,000	$ 64,242	$ 2,020,574	$ 621,742	$ —	$350,526	$ 3,752,084
Paul Humphries	2018	$ 710,000	$ —	$ 2,080,695	$1,695,865	$ 170,307	$ 21,583	$ 4,678,450
President, High	2017	$ 710,000	$ —	$ 2,061,907	$1,700,645	$ 128,118	$ 22,351	$ 4,623,021
Reliability Solutions	2016	$ 695,000	$167,550	$ 1,979,824	$ 925,868	$ —	$ 23,636	$ 3,791,878
Scott Offer(1)	2018	$ 550,000	$ —	$ 1,417,165	$ 441,979	$ —	$ 12,215	$ 2,421,359
Executive Vice President	2017	$ 316,955	$625,000	$ 3,275,200	$ 244,077	$ —	$ 6,193	$ 4,467,424
and General Counsel	2016	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(1) Mr. Offer was appointed Executive Vice President and General Counsel effective September 6, 2016.

(2) Each of the above mentioned named executive officers, except Mr. Barbier, contributed a portion of his fiscal year 2018 salary to his 401(k) savings plan account. All amounts contributed are included under this column.

(3) This column shows (except with respect to Mr. Offer) the unvested portion of deferred compensation accounts that vested during these respective fiscal years. No deferred compensation amounts vested during fiscal years 2017 or 2018. For additional information about the Company's deferred compensation arrangements, see the section entitled "*Compensation Discussion and Analysis—Long-Term Deferred Compensation Awards*" of this proxy statement and the discussion under the section entitled "*Nonqualified Deferred Compensation in Fiscal Year 2018*" of this proxy statement. The amount shown for Mr. Offer for fiscal 2017 is for a sign-on bonus upon commencement of employment with Flex.

(4) Share awards consist of service-based RSUs, PSUs and, for fiscal year 2017 and 2016, Elementum profits interests unit awards. The amounts in this column do not reflect compensation

actually received by the named executive officers, nor do they reflect the actual value that will be recognized by the named executive officers. Instead, the amounts reflect the grant date fair value for grants made by us in fiscal years 2016, 2017 and 2018, calculated in accordance with FASB ASC Topic 718. The PSUs included in this column are at the target number of shares as follows for fiscal year 2018: 336,597 PSUs, or $6,158,044 for Mr. McNamara; 42,074 PSUs, or $851,999 for Mr. Collier; 38,891 PSUs, or $787,543 for Mr. Barbier; 39,310 PSUs, or $796,028 for Mr. Humphries; and 26,774 PSUs, or $542,174 for Mr. Offer. If the maximum payout of 200% is earned for Mr. McNamara's FCF based PSUs, the value would be $5,499,978.

For additional information regarding the assumptions made in calculating the amounts reflected in this column, see Note 4 to our audited consolidated financial statements, "Share-Based Compensation," included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018.

(5) The amounts in this column represent incentive cash bonuses earned in fiscal year 2018, including the following amounts paid out under the FCF LTIP: $461,931 for Mr. Collier; $452,138 for Mr. Barbier; $452,138 for Mr. Humphries; and $0 for Mr. Offer. For additional information, see the section entitled "*Compensation Discussion and Analysis—Fiscal Year 2018 Executive Compensation—Incentive Bonus Plan*" of this proxy statement.

(6) The amount in this column for fiscal year 2018 represents the above-market earnings on the vested portions of the nonqualified deferred compensation accounts of Messrs. McNamara, Collier, Barbier and Humphries in fiscal year 2018. None of our NEOs participated in any defined benefit or actuarial pension plans in fiscal year 2018. Above-market earnings represent the difference between market interest rates determined pursuant to SEC rules and earnings credited to the vested portion of the named executive officers' deferred compensation accounts. See the Nonqualified Deferred Compensation in Fiscal Year 2018 table of this proxy statement for additional information.

(7) The following table provides a breakdown of compensation included in the "All Other Compensation" column for fiscal year 2018:

Name	Pension/ Savings Plan Company Match Expenses/ Social Security ($)(1)	Medical/ Enhanced Long-Term Disability ($)(2)	Personal Aircraft Usage ($)(3)	Relocation/ Expatriate Assignment Expenses ($)(4)	Tax Reimbursements ($)(5)	Total ($)
Michael M. McNamara	$10,600	$20,204	$17,884	$ —	$ —	$ 48,688
Christopher Collier	$10,600	$ 3,556	$40,927	$ —	$ —	$ 55,083
Francois P. Barbier	$79,063	$41,359	$ —	$103,909	$227,350	$451,681
Paul Humphries	$10,600	$10,983	$ —	$ —	$ —	$ 21,583
Scott Offer	$12,215	$ —	$ —	$ —	$ —	$ 12,215

(1) The amounts in this column represent the Company's regular employer matching contributions to the 401(k) saving plan accounts for Messrs. McNamara, Collier, Humphries and Offer. In the case of Mr. Barbier, it represents Company contributions to the mandatory social security programs under applicable French law. Amounts for Mr. Barbier have been converted into dollars from Euros based on the average exchange rate for the 2018 fiscal year.

(2) The amounts in this column represent the Company's contribution to the executive long-term disability program which provides additional benefits beyond the basic employee long-term disability program. An amount equal to $33,344 paid to Mr. Barbier was converted into dollars from Euros based on the average exchange rate for the 2018 fiscal year.

(3) The amounts in this column represent the aggregate incremental costs resulting from the personal use of the Company aircraft. Costs include a portion of ongoing maintenance and repairs, aircraft

fuel, satellite communications and travel expenses for the flight crew. It excludes non-variable costs which would have been incurred regardless of whether there was any personal use of aircraft.

(4) These amounts represent the costs associated with Mr. Barbier's relocation to the Company's San Jose facility for housing allowances of $79,200, vehicle allowances of $14,400, relocation fees of $1,000 and Home Leave Airfare of $9,309.

(5) For Mr. Barbier, the amount includes reimbursement of $213,495 for the incremental taxes due as a result of his relocation to the Company's San Jose facility and $13,855 for the payment of Basic Social Security (which amount was converted into dollars from Euros based on the average exchange rate for the 2018 fiscal year). See the section entitled "*Compensation Discussion and Analysis—Benefits—Executive Perquisites*" of this proxy statement.

Grants of Plan-Based Awards in Fiscal Year 2018

The following table presents information about non-equity incentive plan awards and restricted share unit awards that we granted in our 2018 fiscal year to our named executive officers. We did not grant any stock options to our named executive officers during our 2018 fiscal year.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Share Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Share Awards
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)(3)	($)(4)
Michael M. McNamara	6/29/2017				42,074	168,299	336,598		$3,408,055
	6/29/2017				84,149	168,298	336,596		$2,749,989
	6/29/2017							336,597	$5,499,995
		$1,250,000	$2,500,000	$6,250,000					
Christopher Collier	6/29/2017				10,518	42,074	84,148		$ 851,999
	6/29/2017							84,149	$1,374,995
		$ 385,000	$ 770,000	$1,925,000					
		$ 343,750	$ 687,500	$1,375,000					
Francois P. Barbier	6/29/2017				9,722	38,891	77,782		$ 787,543
	6/29/2017							77,783	$1,270,974
		$ 390,500	$ 781,000	$1,952,500					
		$ 317,744	$ 635,488	$1,270,975					
Paul Humphries	6/29/2017				9,827	39,310	78,620		$ 796,028
	6/29/2017							78,621	$1,284,667
		$ 390,500	$ 781,000	$1,952,500					
		$ 321,169	$ 642,338	$1,284,675					
Scott Offer	6/29/2017				6,693	26,774	53,548		$ 542,174
	6/29/2017							53,549	$ 874,991
		$ 247,500	$ 495,000	$1,237,500					
		$ 218,750	$ 437,500	$ 875,000					

(1) These amounts show the range of possible payouts under our cash incentive programs for fiscal year 2018. For Mr. McNamara, the amounts correspond to the range of possible payouts under the incentive bonus plan. The maximum payment represents 250% of the target payment. The threshold payment represents 50% of target payout levels. For Messrs. Collier, Barbier, Humphries and Offer, the amounts reflect the range of payouts possible under the incentive bonus plan and the Free Cash Flow LTIP awarded on April 1, 2017 for the 3-year performance period beginning that date. The maximum payment represents 250% and 200% of the target payment for our incentive cash bonus program and FCF LTIP, respectively. The threshold payment represents 50% of target payout levels. For the annual incentive bonus plan, the amounts actually earned for fiscal year 2018 are reported as Non-Equity Incentive Plan Compensation in the Summary Compensation Table. For additional information, see the section entitled "*Compensation*

Discussion and Analysis—Fiscal Year 2018 Executive Compensation—Incentive Bonus Plan" and *"Compensation Discussion and Analysis—Fiscal Year 2018 Executive Compensation—Long-Term Share- and Cash-Based Incentive Compensation*" of this proxy statement.

(2) These columns show the range of estimated future vesting of PSUs granted in fiscal year 2018 under our 2010 Equity Incentive Plan. The PSUs cliff vest after three years, with vesting based on the percentile rank of the Company's TSR in the constituents of the S&P 500 Index. The maximum payout for each executive officer represents 200% of the target payout. The threshold payout for each named executive officer represents 25% of target payout levels. In addition, under our FCF LTIP, Mr. McNamara was granted a target award of 168,298 PSUs, which cliff vest after three years, with vesting based on the cumulative three-year free cash flow from operations of the Company. The maximum payout for Mr. McNamara represents 200% of the target amount. The threshold payout for Mr. McNamara represents 50% of the target amount. For additional information, see the section entitled "*Compensation Discussion and Analysis—Fiscal Year 2018 Executive Compensation—Long-Term Share- and Cash-Based Incentive Compensation*" of this proxy statement.

(3) These amounts show the number of service-based RSUs granted in fiscal year 2018 under our 2010 Equity Incentive Plan. For each named executive officer, the restricted share units vest in four annual installments at a rate of 25% per year, provided that the executive continues to remain employed on the vesting dates. For additional information, see the section entitled "*Compensation Discussion and Analysis—Long-Term Share-and-Cash Based Incentive Compensation—Grants During Fiscal Year 2018*" of this proxy statement.

(4) This column shows the grant date fair value of service-based RSUs and PSUs, at the target level, under FASB ASC Topic 718 granted to our named executive officers in fiscal year 2018. The grant date fair value is the amount that we will expense in our financial statements over the awards' vesting schedule. Expense will be reversed for awards that do not vest as a result of the named executive officers not meeting the requisite service requirement; however expense will not be reversed for awards that do not vest as a result of not achieving the performance requirement. For service-based RSUs and FCF-based PSUs, the grant date fair value is the closing price of our ordinary shares on the grant date. For restricted share unit awards where vesting is contingent on meeting a market condition, the grant date fair value was calculated using a Monte Carlo simulation. Additional information on the valuation assumptions is included in Note 4 of our audited consolidated financial statements, "Share-Based Compensation," included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018. These amounts reflect our accounting expense, and do not correspond to the actual compensation that will be received by the named executive officers.

Outstanding Equity Awards at 2018 Fiscal Year-End

The following table presents information about outstanding share awards (including Elementum profits interests) held by our named executive officers as of March 31, 2018. The table shows information about: (i) service-based RSUs; (ii) PSUs; and (iii) Elementum profits interests.

The market value of the share awards, other than Elementum profits interests, is based on the closing price of our ordinary shares as of March 29, 2018, which was $16.33. For PSUs, the number of unearned shares and the market values shown assume all performance criteria are met at the maximum payout level. For additional information on our equity incentive programs, see the section entitled "*Compensation Discussion and Analysis—Long-Term Share- and Cash-Based Incentive Compensation*" of this proxy statement.

	Share Awards			
Name	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(1)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Michael M. McNamara	2,137,285(2)	$34,901,856	2,125,432(3)	$34,708,305
Christopher Collier	288,479(4)	$ 4,710,862	284,308(5)	$ 4,642,750
Francois P. Barbier	426,237(6)	$ 6,960,450	272,714(7)	$ 4,453,420
Paul Humphries	228,289(8)	$ 3,727,959	275,170(9)	$ 4,493,526
Scott Offer	238,549(10)	$ 3,895,505	53,548(11)	$ 874,439

(1) This column includes PSUs granted in fiscal years 2016, 2017 and 2018 under our 2010 Equity Incentive Plan (the 2010 Plan) based on a 200% payout. For grants made in fiscal year 2016, 2017 and 2018, 100% of the restricted share unit awards vest after three years, if the performance criteria are met. Vesting of the PSUs for 2016, 2017 and 2018 will depend on the Company's total shareholder return versus total shareholder return of the constituents of the S&P 500 or, in the case of FCF PSUs, based on cumulative free cash flow.

(2) 91,325 shares vest on June 26, 2018; 179,752 shares vest at a rate of 89,876 shares per year for two years, with the first vesting date on June 10, 2018; 669,649 Elementum profit interest shares vest at a rate of 334,824 shares per year for two years, with the first vesting date on October 15, 2018; 274,962 shares vest at a rate of 91,654 shares per year for three years, with the first vesting date on June 14, 2018; 585,000 Elementum profit interest shares vest at a rate of 195,000 shares per year for three years, with the first vesting date on March 23, 2019; and 336,597 shares vest at a rate of 84,149 shares per year for four years with the first vesting date of June 29, 2018.

(3) 719,008 shares vest on June 10, 2018 assuming a maximum payout of 200%; 733,230 shares vest on June 14, 2019 assuming a maximum payout of 200%; and 673,194 shares vest on June 29, 2020 assuming a maximum pay out of 200%.

(4) 30,035 shares vest on June 26, 2018; 51,653 shares vest at a rate of 25,826 shares per year for two years, with the first vesting date on June 10, 2018; 50,000 Elementum profit interest shares vest at a rate of 25,000 shares per year for two years, with the first vesting date on October 15, 2018; 72,642 shares vest at a rate of 24,214 shares per year for three years, with the first vesting date on June 14, 2018; and 84,149 shares vest at a rate of 21,037 shares per year over four years, with the first vesting date on June 29, 2018.

(5) 103,304 shares vest on June 10, 2018 assuming a maximum payout of 200%; 96,856 shares vest on June 14, 2019 assuming a maximum payout of 200% and 84,148 shares vest on June 29, 2020, assuming a maximum payout of 200%.

(6) 27,532 shares vest on June 26, 2018; 50,558 shares vest at a rate of 25,279 shares per year for two years, with the first vesting date on June 10, 2018; 125,000 Elementum profit interest shares vest at a rate of 62,500 shares per year for two years with the first vesting date on October 15, 2018; 70,364 shares vest at a rate of 23,455 shares per year for three years, with the first vesting

date on June 14, 2018; 75,000 Elementum profit interest shares vest at a rate of 25,000 shares per year for three years, with the first vesting date on March 23, 2019; and 77,783 shares vesting at a rate of 19,446 per year over four years with the first vesting date on June 29, 2018.

(7) 101,114 shares vest on June 10, 2018 assuming a maximum payout of 200%; 93,818 shares vest on June 14, 2019 assuming a maximum payout of 200%; and 77,782 shares vest on June 29, 2020 assuming a maximum payout of 200%.

(8) 27,532 shares vest on June 26, 2018; 50,558 shares vest at a rate of 25,279 shares per year for two years, with the first vesting date on June 10, 2018; 71,578 shares vest at a rate of 23,859 shares per year for three years, with the first vesting date on June 14, 2018; and 78,621 shares vest at a rate of 19,655 shares per year for four years, with the first vesting date on June 29, 2018.

(9) 101,114 shares vest on June 10, 2018 assuming a maximum payout of 200%; 95,436 shares vest on June 14, 2019 assuming a maximum payout of 200%; 78,620 shares vest on June 29, 2020 assuming a maximum payout of 200%.

(10) 135,000 shares vest at a rate of 45,000 shares per year for three years, with the first vesting date on November 30, 2018; 50,000 shares vest on November 30, 2019 and 53,549 shares vest at a rate of 13,387 shares per year for four years with the first vesting on June 29, 2018.

(11) 53,548 shares vest on June 29, 2020 assuming a maximum payout of 200%.

Option Exercises and Shares Vested in Fiscal Year 2018

The following table presents information for each of our named executive officers regarding the number of shares acquired upon the vesting of share awards in the form of restricted share units during fiscal year 2018 and the value realized, in each case before payment of any applicable withholding tax and broker commissions. There were no option exercises by our NEOs in 2018 and the NEOs do not hold any unexercised options.

	Share Awards	
Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(1)
Michael M. McNamara	923,434	$15,330,539
Christopher Collier	227,710	$ 3,785,399
Francois P. Barbier	230,140	$ 3,829,831
Paul Humphries	230,545	$ 3,836,582
Scott Offer	45,000	$ 813,150

(1) The amounts in this column reflect the aggregate dollar amount realized upon the vesting of restricted share unit awards determined by multiplying the number of ordinary shares underlying such awards by the market value of the underlying shares on the vesting date.

Pension Benefits in Fiscal Year 2018

Our named executive officers do not receive any compensation in the form of pension benefits.

Nonqualified Deferred Compensation in Fiscal Year 2018

Each of our named executive officers participates in our 2010 Deferred Compensation Plan, except for Mr. Barbier, who no longer participates in this plan. Our deferred compensation program is intended to promote retention by providing a long-term savings opportunity on a tax-efficient basis. Beginning in fiscal year 2011, we replaced our existing deferred compensation plans with the 2010 Deferred Compensation Plan. Under the 2010 plan, participating officers may defer up to 70% of their base salary and bonus, net of certain statutory and benefit deductions. The Company may make a discretionary matching contribution for these deferrals to reflect limitations on our matching contribution under our 401(k) plan. During fiscal year 2015, the Compensation Committee approved a change to the funding of the deferred compensation program whereby 50% of the funding would be paid as a percent of base salary and 50% would be performance-based. This aligns to the distribution of performance and time-based elements in our other long-term compensation programs. Under this plan, we may make annual contributions, in amounts up to 37.5% of each participant's base salary (subject to offsets for non-U.S. executives' pension and other benefits), which will cliff vest after four years. Amounts credited to the deferral accounts are deemed to be invested in hypothetical investments selected by a participant or an investment manager on behalf of each participant. Participants in the 2010 Deferred Compensation Plan may receive their vested deferred compensation balances upon termination of employment at such time as is specified in their deferral agreements, which may include a lump sum payment or installment payments made over a period of years. Participants also may elect in-service distributions through a lump sum payment or in installments over a period of up to five years.

Prior to fiscal year 2011, Mr. McNamara participated in our senior executive deferred compensation plan, which we refer to as the senior executive plan. Participants in the senior executive plan received long-term deferred bonuses, which were subject to vesting requirements. In addition, a participant was able to defer up to 80% of his salary and up to 100% of his cash bonuses. The deferred compensation was credited to a deferral account established under the senior executive plan for recordkeeping purposes. Amounts credited to the deferral accounts are deemed to be invested in hypothetical investments selected by an investment manager on behalf of each participant. Participants in the senior executive plan may receive their vested deferred compensation balances upon termination of employment either through a lump sum payment or in installments over a period of up to 10 years.

Prior to fiscal year 2011, Messrs. Barbier, Collier and Humphries participated in the Company's senior management deferred compensation plan (referred to as the senior management plan). Under the senior management plan, participants received deferred discretionary contributions, which were subject to vesting requirements. Deferred balances under the senior management plan are deemed to be invested in hypothetical investments selected by the participant or the participant's investment manager. Participants in the senior management plan will receive their vested deferred compensation balances upon termination of employment through a lump sum payment on the later of January 15th of the year following termination and six months following termination. In addition, any unvested portions of the deferral accounts will become 100% vested if the executive's employment is terminated as a result of his or her death.

Under each of the deferred compensation plans, we entered into trust agreements providing for the establishment of irrevocable trusts into which we are required to deposit cash or other assets as specified in the applicable deferral agreement, equal to the aggregate amount required to be credited to the participant's deferral account, less any applicable taxes to be withheld. The deferred account balances of the participants in deferred compensation plans are unfunded and unsecured obligations of the Company, receive no preferential standing, and are subject to the same risks as any of our other general obligations.

For a discussion of the contributions granted to each of the named executive officers and their vesting terms, including vesting upon the executive's termination or a change in control of the Company, see the sections entitled "*Compensation Discussion and Analysis—Fiscal Year 2018 Executive Compensation—Long-Term Deferred Compensation Awards*" of this proxy statement and "*Executive Compensation—Potential Payments Upon Termination or Change of Control*" below.

The following table presents information for fiscal year 2018 about: (i) contributions to the named executive officers' deferred compensation plan accounts by the executive; (ii) contributions to the NEOs' deferred compensation plan accounts by the Company; (iii) aggregate earnings (or losses) on the deferred compensation plan accounts; (iv) aggregate withdrawals and distributions from the deferred compensation plan accounts; and (v) the deferred compensation plan account balances as of the end of the fiscal year. For fiscal year 2018, Messrs. McNamara, Collier, Humphries and Offer each received deferred compensation awards that averaged approximately 26.3% of their 2017 respective base salaries.

Nonqualified Deferred Compensation Table

Name	Executive Contributions in Last Fiscal Year ($)(1)	Registrant Contributions in Last Fiscal Year ($)(2)	Aggregate Earnings (Losses) in Last Fiscal Year ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Fiscal Year-End ($)(4)
Michael M. McNamara	$ —	$329,156	$1,755,344	$—	$20,537,242
Christopher Collier	$ 260,666	$184,328	$ 405,165	$—	$ 3,551,580
Francois P. Barbier(5)	$ —	$ —	$ 57,559	$—	$ 969,793
Paul Humphries	$1,004,419	$186,961	$ 341,986	$—	$ 3,896,054
Scott Offer	$ 12,375	$144,829	$ (1,339)	$—	$ 155,865

(1) Reflects the salary payments deferred by our named executive officers during the fiscal year and, for Mr. Humphries, deferred salary and bonus payments. These amounts are included in the Summary Compensation Table under the “Salary” and “Bonus” columns, as applicable.

(2) These amounts represent contributions under the 2010 deferred compensation plan. These awards cliff vest after four years. None of these awards have vested under this plan as of March 31, 2018. These amounts, including any earnings or losses thereon, will be reported under the “Bonus” column of the Summary Compensation Table upon vesting in future years if the executive continues to be a named executive officer. For additional information on these contributions and their vesting terms, including vesting upon the executive’s termination or change in control of the Company, see the sections entitled “*Compensation Discussion and Analysis—Fiscal Year 2018 Executive Compensation—Long-Term Deferred Compensation Awards*” of this proxy statement and “*Executive Compensation—Potential Payments Upon Termination or Change of Control.*”

(3) Reflects earnings (or losses) for each named executive officer on both the vested and unvested portions of the executive’s deferred compensation account(s). The above-market portion of the earnings on the vested portion of the executive’s deferred compensation account(s) is included under the “Change in Pension Value and Nonqualified Deferred Compensation Earnings” column in the Summary Compensation Table. Any earnings that vest in a given year are reported in the “Bonus” column in the Summary Compensation Table.

(4) The amounts in this column have previously been reported in the Summary Compensation Table for this and prior fiscal years as follows: Michael M. McNamara—$20,537,242; Christopher Collier—$1,962,478; Francois P. Barbier—$1,066,441; Paul Humphries—$1,185,539. The amounts in this column include the following unvested balances related to the respective 2010 deferred compensation plan account of the named executive officers: Michael M. McNamara—$2,325,323; Christopher Collier—$1,017,756; Paul Humphries—$701,416; and Scott Offer—$143,490.

(5) Mr. Barbier no longer participates in the 2010 Deferred Compensation Plan. The information in the table reflects earnings on the account balance of his senior management plan account.

Potential Payments Upon Termination or Change in Control

As described in the section entitled “*Compensation Discussion and Analysis*” of this proxy statement, our named executive officers do not have employment or severance agreements with us. However, our named executive officers are entitled to certain termination and change in control benefits under each executive's deferred compensation plan and under certain equity awards.

Acceleration of Vesting of Deferred Compensation

If the employment of any participant in the 2010 Deferred Compensation Plan is involuntarily terminated by the Company without cause or is terminated by the executive with good reason within two years following a change in control (as defined in the 2010 Deferred Compensation Plan), the entire unvested portion of the deferred compensation account of the named executive officer will vest.

Acceleration of Vesting of Equity Awards

The number of unvested equity awards held by each named executive officer as of March 31, 2018 is listed above in the Outstanding Equity Awards at 2018 Fiscal Year-End table. All unvested outstanding equity awards held by our named executive officers at the end of fiscal year 2018 were granted under the 2010 Plan, which provides certain benefits to plan participants in the event of the termination of such participant's employment or a change in control of the Company. The terms of these benefits are described below.

Treatment of Certain Awards Upon Retirement

Subject to any waiver by the Compensation Committee, all unvested restricted share unit awards and unvested stock options held by a plan participant will be forfeited if the participant ceases to provide services to the Company for any reason. However, certain award agreements for PSUs granted under our 2017 Plan provide that if a plan participant ceases to provide services to the Company due to a qualifying retirement (meaning a voluntary termination of service after the participant has attained the age of sixty (60) years and completed at least ten (10) years of service as an employee of the Company), then the award will not terminate and a pro-rata number of shares subject to the award shall be issued to the participant upon the vesting of the award agreement pursuant to the original performance criteria. At the current time, Messrs. McNamara and Humphries are the only NEOs that satisfy the retirement criteria.

Acceleration of Vesting Upon a Change in Control

Our equity incentive plans are "double trigger" plans, meaning that unvested restricted share unit awards vest immediately only if (i) there is a change in control of the Company and (ii)(x) such awards are not converted, assumed or replaced by the successor or survivor corporation or (y) if provided by the Compensation Committee as described below, the service of the award recipient is involuntarily terminated within a designated period following the effective date of such change in control.

Under the terms of our 2010 Plan (and the 2017 Plan that has subsequently been adopted, together with the 2010 Plan, the Plans), unless otherwise provided in the applicable award agreement or other agreement between the Company and the participant, in the event of a change of control of the Company (as defined in the Plans) in which the participant's awards are not converted, assumed, or replaced by a successor or survivor corporation, or a parent or subsidiary thereof, then all forfeiture restrictions on such awards will lapse immediately prior to the change of control and, following the consummation of such a change of control, all such awards will terminate and cease to be outstanding.

Where awards under the Plans are assumed or continued after a change in control, the Compensation Committee may provide that one or more awards will automatically accelerate upon an involuntary termination of service within a designated period (not to exceed eighteen (18) months) following the effective date of such change in control. If the Compensation Committee so determines, immediately upon an involuntary termination of service following a change of control all forfeiture restrictions on such award will lapse.

Among our named executive officers, 1,945,352 of Mr. McNamara's unvested restricted share unit awards, 380,633 of Mr. Collier's unvested restricted share unit awards, 362,594 of Mr. Barbier's unvested restricted share unit awards, 365,874 of Mr. Humphries' unvested restricted share unit awards, and 265,323 of Mr. Offer's unvested restricted share unit awards are subject to the above-described change in control provision.

Potential Payments Upon Termination or Change in Control as of March 31, 2018

The following table and accompanying notes show the estimated payments and benefits that would have been provided to each named executive officer as a result of (i) the accelerated vesting of deferred compensation in the case of a change of control with a termination of employment and (ii) the accelerated vesting of restricted share unit awards in the event of a change of control if such awards are not assumed by the successor company in connection with the change of control, or (iii) retirement.

Calculations for this table assume that the triggering event took place on March 29, 2018, the last business day of our 2018 fiscal year, and are based on the price per share of our ordinary shares on such date, which was $16.33. The following table does not include potential payouts under our named executive officers' nonqualified deferred compensation plans relating to vested benefits.

Name	Change in Control with Termination: Accelerated Vesting of Deferred Compensation (1)	Change in Control and No Assumption of Award: Accelerated Vesting of Service-based RSUs (2)	Total in Event of Change in Control	Retirement Eligible: Pro Rata Vesting of PSUs (3)
Michael M. McNamara	$2,325,323	$31,767,598	$34,092,921	$10,441,141
Christopher Collier	$1,017,756	$ 6,215,737	$ 7,233,493	$ —
Francois P. Barbier	$ —	$ 5,921,160	$ 5,921,160	$ —
Paul Humphries	$ 701,416	$ 4,690,841	$ 5,392,257	$ 1,397,995
Scott Offer	$ —	$ 4,332,725	$ 4,332,725	$ —

(1) The amount shown for each executive represents the portion of the unvested balance of the executive's deferred compensation account that would vest in the event the executive is terminated by the Company without cause or resigns with good reason following a change in control of the Company (as defined in the 2010 deferred compensation plan). No executive's deferred compensation account will vest upon a change of control (without any termination following such change in control) or upon the executive's death.

(2) The amounts shown represent the estimated value of the accelerated vesting of restricted share unit awards following a change of control under the terms of our equity incentive plans, which assumes that such restricted share unit awards are not assumed or replaced by the successor corporation or its parent. If such awards are assumed or replaced in a change of control transaction, the vesting of such awards will not accelerate; provided, that the Compensation Committee may determine that awards under the Plans may be accelerated if the executive is terminated within a certain period (not to exceed 18 months) following a change of control. PSUs may be accelerated on a pro-rata basis following a change of control. All amounts shown in this column represent the intrinsic value of the awards based on the closing price of our ordinary shares on March 29, 2018, the assumed date of the triggering event.

(3) For termination of service due to retirement, then (i) the PSUs will not terminate and (ii) a pro-rata number of vested shares shall be issued to the executive upon the vesting of the award pursuant to achieving the performance criteria.

CEO PAY RATIO

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing the following disclosure about the median annual total compensation of our employees in relation to the annual total compensation of our Chief Executive Officer.

We are a globally-recognized provider of *Sketch-to-Scale*® services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. We have established this extensive network of design and manufacturing facilities in the world's major consumer electronics and enterprise products markets (Asia, the Americas, and Europe) in order to serve the outsourcing needs of both multinational and regional companies. Our global services provide our customers with a competitive advantage by delivering improved product quality, increased flexibility, leading-edge manufacturability, improved performance, faster time-to-market, and competitive costs. We have manufacturing operations situated in low-cost regions of the world to provide our customers with a wide array of manufacturing solutions and low manufacturing costs. As of March 31, 2018, approximately 80% of our manufacturing capacity was located in low-cost locations, such as Brazil, China, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Romania, and the Ukraine. For the fiscal year ended March 31, 2018, we had revenues of $25.4 billion. Approximately 89% of our revenues are generated outside of the U.S. With this large scale, global manufacturing-intensive business model, we have approximately 200,000 employees globally, including temporary workforce, of whom approximately 95% are outside of the U.S. and approximately 89% are located in emerging markets. To better understand the following pay ratio disclosure, it is important to recognize that our compensation programs are designed to reflect local market practices across our global operations. We offer market-based competitive wages and benefits in all geographies in which we operate. Our CEO's compensation is structured to align pay with performance, with pay levels set in line with our peers which are companies of similar size, scale, and complexity.

Fiscal Year 2018 Pay Ratio

- The annual total compensation of our median employee (among all employees excluding the CEO) was $7,489.
- Our CEO's annual total compensation, as reported in the Summary Compensation Table, was $16,170,232.

Based on this information, the ratio of the annual total compensation of our CEO relative to the annual total compensation of our median employee was 2,159 to 1.

The pay ratio disclosed above is a reasonable estimate, calculated in a manner consistent with the SEC rules based on our payroll and employment records and the methodologies described below. The SEC rules for identifying the median compensated employee and calculating the pay ratio allow companies to use different methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio disclosed by other companies may not be comparable to the pay ratio disclosed above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates, and assumptions in calculating their own pay ratios. Moreover, there are a number of factors which make a meaningful comparison of pay ratios difficult, such as industry-specific pay differentials, the geographic location of employee populations, and the nature of a company's manufacturing operations.

Identification of the Median Employee

For purposes of identifying our median employee, we considered target total annual cash compensation multiplied by the FTE % factor as reflected in our global human resources information system, such that those that only work part-time were included at the part-time pay rate and not converted to a full-time equivalent pay level. We selected this compensation approach because it captures both base salary as well as bonuses and other cash payments that may be provided to employees in our varying work geographies. We measured compensation for purposes of measuring the median employee using the 12-month period ending March 31, 2018. No cost-of-living adjustments were made.

We selected March 31, 2018 as the date on which to determine our median employee. As of that date, we had 168,582 employees, 161,677 of whom were located outside of the United States and approximately 151,500 of whom were located in emerging markets. This employee count excludes approximately 31,000 individuals who are technically classified as contractors for this analysis and therefore not included in the CEO pay ratio calculations. Additionally, this employee count reflects our utilization of the de minimis exemption to eliminate countries representing no more than 5% of our global population in the aggregate. The countries excluded were Ukraine and Indonesia, with 3,835 and 2,210 employees, respectively, in the aggregate representing approximately 3.6% of our global population. With these countries excluded, we had 162,537 employees with 155,632 located outside of the United States.

Using this methodology, we determined that our median employee was a full-time, salaried employee working in India, with annual total cash compensation of approximately $7,489. For purposes of this disclosure, we converted the employee's total cash compensation from Indian Rupees to U.S. dollars using the exchange rate (65.2 INR to 1 USD) as of March 1, 2018.

Calculation of Median Employee's Compensation

In determining the annual total compensation of approximately $7,489 for our median employee, as required by SEC rules, we calculated the employee's compensation in accordance with Item 402(c)(2)(x) of Regulation S-K, consistent with how we determine our CEO's total compensation for fiscal year 2018 in the Summary Compensation Table.

EQUITY COMPENSATION PLAN INFORMATION

As of March 31, 2018, we maintained our 2010 Plan and our 2017 Plan, which replaced our 2010 Plan with respect to further grants of equity awards. In addition, we maintained the NEXTracker, Inc. 2014 Equity Incentive Plan and the BrightBox Technologies, Inc. 2013 Stock Incentive Plan (as amended), which we assumed as part of acquisitions during fiscal years 2016 and 2017, respectively. The following table provides information about equity awards outstanding under these plans as of March 31, 2018. The below does not reflect the effect of our fiscal 2019 grants under the 2017 Plan and the vesting of awards in fiscal 2019.

Plan Category	Number of Ordinary Shares to be Issued Upon Exercise of Outstanding Options and Vesting of Restricted Share Unit Awards (a)	Weighted-Average Exercise Price of Outstanding Options(1) (b)	Number of Ordinary Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Ordinary Shares Reflected in Column (a)) (c)
Equity compensation plans approved by shareholders(2)	13,898,920	$9.78	22,231,092(2)
Equity compensation plans not approved by shareholders(4)(5)	1,910,322(5)	$3.24	—
Total	15,809,242(6)	$3.28	22,231,092(2)

(1) The weighted-average exercise price does not take into account ordinary shares issuable upon the vesting of outstanding restricted share unit awards, which have no exercise price.

(2) Consists of ordinary shares available for grant under the 2017 Plan. The 2017 Plan provides for grants of up to 22.0 million ordinary shares, plus ordinary shares available for grant as a result of the forfeiture, expiration or termination of options and restricted share unit awards granted under the 2010 Plan (if such ordinary shares are issued under such other stock options or restricted share unit awards, they will not become available under the 2017 Plan).

(3) In connection with the acquisition of NEXTracker, Inc. on September 28, 2015, we assumed the NEXTracker, Inc. 2014 Equity Incentive Plan, including all outstanding options to purchase NEXTracker, Inc. common stock with exercise prices equal to, or less than, $7.34 per share. Each assumed option was converted into an option to acquire our ordinary shares at the applicable exchange rate of 1.4033. As a result, we assumed approximately 5.6 million unvested restricted stock units and unvested options with exercise prices ranging from between $0.08 and $10.65 per ordinary share. Options granted under this plan generally have an exercise price not less than the fair value of the underlying ordinary shares on the date of grant. The awards generally vest over four years, and options generally expire ten years from the date of grant. Unvested awards are forfeited upon termination of employment.

(4) In connection with the acquisition of BrightBox Technologies, Inc. on May 16, 2016, we assumed the BrightBox Technologies, Inc. 2013 Stock Incentive Plan (as amended), including all outstanding options to purchase BrightBox Technologies, Inc.' common stock with exercise prices equal to, or less than, $0.08 per share. Each assumed option was converted into an option to acquire our ordinary shares at the applicable exchange rate of 6.4959. As a result, we assumed approximately 0.2 million unvested options with exercise prices ranging from between $0.45 and $0.52 per ordinary share. Options granted under this plan generally have an exercise price not less than the fair value of the underlying ordinary shares on the date of grant. The options generally vest over four years, and options generally expire ten years from the date of grant. Unvested options are forfeited upon termination of employment.

(5) Consists of ordinary shares issuable upon the exercise of outstanding stock options.

(6) Includes 14,619,692 ordinary shares issuable upon the vesting of restricted share unit awards. The remaining balance consists of ordinary shares issuable upon the exercise of outstanding stock options. For awards subject to market performance criteria, the amount reported reflects the number of shares to be issued if the target level is achieved. An additional 2,497,089 shares would be issued if the maximum market performance level is achieved.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of June 16, 2018, except as otherwise indicated, regarding the beneficial ownership of our ordinary shares by:

- each shareholder known to us to be the beneficial owner of more than 5% of our outstanding ordinary shares;
- each of our named executive officers;
- each director; and
- all executive officers and directors as a group.

Unless otherwise indicated, the address of each of the individuals named below is: c/o Flex Ltd., No. 2 Changi South Lane, Singapore 486123.

Information in this table as to our directors, named executive officers and all directors and executive officers as a group is based upon information supplied by these individuals and Forms 3, 4, and 5 filed with the SEC. Information in this table as to our greater than 5% shareholders is based solely upon the Schedules 13G filed by these shareholders with the SEC. Where information regarding shareholders is based on Schedules 13G, the number of shares owned is as of the date for which information was provided in such schedules.

Beneficial ownership is determined in accordance with the rules of the SEC that deem shares to be beneficially owned by any person who has or shares voting or investment power with respect to such shares. Ordinary shares subject to options that are currently exercisable or are exercisable within 60 days of June 16, 2018, and ordinary shares subject to restricted share unit awards that vest within 60 days of June 16, 2018 are deemed to be outstanding and to be beneficially owned by the person holding such awards for the purpose of computing the percentage ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated below, the persons and entities named in the table have sole voting and sole investment power with respect to all the shares beneficially owned, subject to community property laws where applicable.

For each individual and group included in the table below, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the 530,336,306 ordinary shares outstanding on June 16, 2018 plus the number of ordinary shares that such person or group had the right to acquire on or within 60 days after June 16, 2018.

	Shares Beneficially Owned	
Name and Address of Beneficial Owner	**Number of Shares**	**Percent**
5% Shareholders:		
PRIMECAP Management Company(1) 177 E. Colorado Blvd., 11th Floor, Pasadena, CA 91105	53,620,836	10.11%
Boston Partners(2) One Beacon Street, 30th Floor, Boston, MA 02108	50,405,216	9.50%
Wellington Management Group LLP(3) 280 Congress Street, Boston, MA 02210	41,369,433	7.80%
Glenview Capital Management, LLC(4) 767 Fifth Avenue, 44th Floor, New York, NY 10153	39,432,751	7.44%
Janus Henderson Group PLC(5) 201 Bishopsgate, EC2M 3AE, United Kingdom	34,458,386	6.50%
Capital Research Global Investors(6) 333 South Hope Street, Los Angeles, CA 90071	29,053,643	5.48%

	Shares Beneficially Owned	
Name of Beneficial Owner	**Number of Shares**	**Percent**
Named Executive Officers and Directors:		
Michael McNamara(7)	2,656,944	*
Christopher Collier(8)	634,771	*
Paul Humphries(9)	361,670	*
Francois Barbier(10)	223,404	*
Scott Offer(11)	13,387	*
Willy Shih(12)	179,802	*
Daniel Schulman(13)	166,775	*
Lay Koon Tan(12)	127,175	*
Lawrence Zimmerman(12)	91,476	*
Michael Capellas(14)	92,160	*
Marc Onetto(15)	65,429	*
William Watkins(12)	32,730	*
Jennifer Li(11)	6,921	*
All executive officers and directors as a group (14 persons)(16)	4,677,984	0.88%

* Less than 1%.

(1) Based on information supplied by PRIMECAP Management Company in an amended Schedule 13G filed with the SEC on March 7, 2018. PRIMECAP Management Company has sole voting power over 23,755,843 of these shares and sole dispositive power over all of these shares.

(2) Based on information supplied by Boston Partners in an amended Schedule 13G filed with the SEC on February 12, 2018. Boston Partners is deemed to have sole voting power over 39,827,113 of these shares, shared voting power over 55,325 of these shares and sole dispositive power for all of these shares.

(3) Based on information supplied by Wellington Management Group LLP in a Schedule 13G filed with the SEC on February 8, 2018. Wellington Management Group LLP has shared voting power over 30,486,913 of these shares and shared dispositive power over all of these shares.

(4) Based on information supplied by Glenview Capital Management, LLC (or Glenview) in an amended Schedule 13G filed with the SEC on February 14, 2018. As a result of Glenview serving as an investment manager to various investment companies, and Mr. Lawrence M. Robbins serving as the Chief Executive Officer of Glenview, Glenview and Mr. Robbins may be deemed to share voting and dispositive power over all of these shares.

(5) Based on information supplied by Janus Henderson Group in a Schedule 13G filed with the SEC on February 13, 2018. Janus Henderson Group has shared voting power and dispositive power over all of these shares.

(6) Based on information supplied by Capital Research Global Investors in an amended Schedule 13G filed with the SEC on February 14, 2018. Capital Research Global Investors has sole voting power and dispositive power over all of these shares.

(7) Includes 175,474 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018.

(8) Includes 51,072 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018.

(9) Includes 47,187 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018.

(10) Includes 46,977 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018.

(11) All shares are issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018.

(12) Includes 11,504 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018.

(13) Includes 11,504 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018. Also includes 141,674 shares held indirectly by a grantor retained annuity trust, of which Mr. Schulman is the trustee.

(14) Includes 14,613 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018.

(15) Includes 11,504 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018. Also includes 53,925 shares held indirectly by a living trust, of which Mr. Onetto is a trustee.

(16) Includes 434,729 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2018.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Review of Related Person Transactions

Our Code of Business Conduct and Ethics provides guidance for addressing actual or potential conflicts of interests, including those that may arise from transactions and relationships between us and our executive officers or directors. In addition, in order to formalize our policies and procedures for the review, approval or ratification, and disclosure of related person transactions, our Board of Directors adopted a Statement of Policy with Respect to Related Person Transactions. The policy generally provides that the Nominating and Corporate Governance Committee (or another committee comprised solely of independent directors) will review, approve in advance or ratify, all related person transactions between us and any director, any nominee for director, any executive officer, any beneficial owners of more than 5% of our ordinary shares or any immediate family member of any of the foregoing individuals. Under the policy, some ordinary course transactions or relationships are not required to be reviewed, approved or ratified by the applicable Board committee, including, among other things, the following transactions:

- transactions involving less than $25,000 for any individual related person;
- compensation arrangements with directors and executive officers resulting solely from their service on the Board or as executive officers, so long as such arrangements are disclosed in our filings with the SEC or, if not required to be disclosed, are approved by our Compensation Committee; and
- indirect interests arising solely from a related person's service as a director and/or owning, together with all other related persons, directly or indirectly, less than a 10% beneficial ownership interest in a third party (other than a partnership) which has entered into or proposes to enter into a transaction with us.

We have various procedures in place to identify potential related person transactions, and the Nominating and Corporate Governance Committee works with our management and our Office of General Counsel in reviewing and considering whether any identified transactions or relationships are covered by the policy. Our Statement of Policy with Respect to Related Person Transactions is included in our Guidelines with Regard to Certain Governance Matters, a copy of which is available along with a copy of the Company's Code of Business Conduct and Ethics on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com*.

Transactions with Related Persons

Mr. McNamara, the Company's CEO and a director, has a daughter-in-law, Lacey Ellis, who was employed by the Company in fiscal year 2018 (and presently). Ms. Ellis was employed as an attorney and earned approximately $260,566 in salary, bonus, share awards, and benefits during fiscal year 2018. The employment and compensation of this family member was approved and established by the Company in accordance the Statement of Policy with Respect to Related Person Transactions as described above and this family member's employment and compensation is in accordance with the Company's employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions.

Other than the foregoing and the compensation agreements and other arrangements described under the sections entitled "*Executive Compensation*" of this proxy statement and "*Non-Management Directors' Compensation for Fiscal Year 2018*" of this proxy statement, during fiscal year 2018, there was not, nor is there currently proposed, any transaction or series of similar transactions to which we are or will be a party:

- in which the amount involved exceeded or will exceed $120,000; and
- in which any director, nominee, executive officer, holder of more than 5% of our ordinary shares or any member of their immediate family had or will have a direct or indirect material interest.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of our ordinary shares to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file. Based solely on our review of the copies of such forms furnished to us and written representations from our executive officers and directors, we believe that all Section 16(a) filing requirements for the fiscal year ended March 31, 2018 were met.

SHAREHOLDER PROPOSALS FOR THE 2019 ANNUAL GENERAL MEETING

Shareholder proposals submitted under SEC Rule 14a-8 and intended for inclusion in the proxy statement for our 2019 annual general meeting of shareholders must be received by us no later than March 7, 2019. Any such shareholder proposals must be mailed to us at 6201 America Center Drive, San Jose, California, 95002, U.S.A., Attention: Chief Executive Officer. Any such shareholder proposals may be included in our proxy statement for the 2019 annual general meeting so long as they are provided to us on a timely basis and satisfy the other conditions set forth in applicable rules and regulations promulgated by the SEC. Shareholder proposals submitted outside the processes of SEC Rule 14a-8 are subject to the requirements of the Companies Act, as described in the following paragraph, and applicable rules and regulations promulgated by the SEC. The proxy designated by us will have discretionary authority to vote on any matter properly presented by a shareholder for consideration at the 2019 annual general meeting of shareholders unless notice of such proposal is received by the applicable deadlines prescribed by the Singapore Companies Act.

Under Section 183 of the Companies Act, registered shareholders representing (i) at least 5% of the total voting rights of all registered shareholders having at the date of the requisition, the right to vote at the meeting to which the requisition relates, or (ii) not fewer than 100 registered shareholders holding shares in the Company on which there has been paid up an average sum of at least $500 per shareholder may, at their expense (unless the Company resolves otherwise), requisition that we include and give notice of their proposal for the 2019 annual general meeting. Any such requisition must satisfy the requirements of Section 183 of the Singapore Companies Act, and must be signed by all the requisitionists and be deposited at our registered office in Singapore, No. 2 Changi South Lane, Singapore 486123, at least six weeks prior to the date of the 2019 annual general meeting in the case of a requisition requiring notice of a resolution, or at least one week prior to the date of the 2019 annual general meeting in the case of any other requisition.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Flex incorporates by reference the following sections of our Annual Report on Form 10-K for the fiscal year ended March 31, 2018:

- Item 8, “Financial Statements and Supplementary Data;”
- Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations;” and
- Item 7A, “Quantitative and Qualitative Disclosures About Market Risk.”

SINGAPORE STATUTORY FINANCIAL STATEMENTS

Our Annual Report on Form 10-K for the fiscal year ended March 31, 2018, which was filed with the SEC on June 14, 2018, includes our audited consolidated financial statements, prepared in conformity with accounting principles generally accepted in the United States of America, or U.S. GAAP, together with the Independent Registered Public Accounting Firm’s Report of Deloitte & Touche LLP, our independent auditors for the fiscal year ended March 31, 2018. We publish our U.S. GAAP financial statements in U.S. dollars, which is the principal currency in which we conduct our business.

Our Singapore statutory financial statements, prepared in conformity with the provisions of the Companies Act will be made available to our shareholders on our website at *https://investors.flex.com/financials* prior to the date of the 2018 annual general meeting, as required under Singapore law.

Our Singapore statutory financial statements include:

- our consolidated financial statements (which are identical to those included in the Annual Report on Form 10-K, described above);
- supplementary financial statements (which reflect solely the Company’s standalone financial results, with our subsidiaries accounted for under the equity method rather than consolidated);
- a Directors’ Statement; and
- the Independent Auditors’ Report of Deloitte & Touche LLP, our Singapore statutory auditors for the fiscal year ended March 31, 2018.

OTHER MATTERS

Our management does not know of any matters to be presented at the 2018 annual general meeting other than those set forth herein and in the notice accompanying this proxy statement. If any other matters are properly presented for a vote at the 2018 annual general meeting, the enclosed proxy confers discretionary authority to the individuals named as proxies to vote the shares represented by proxy, as to those matters.

It is important that your shares be represented at the 2018 annual general meeting, regardless of the number of shares which you hold. **We urge you to promptly execute and return the accompanying proxy card in the envelope which has been enclosed for your convenience, or to vote or give voting instructions in accordance with the proxy card or Notice.**

Shareholders who are present at the 2018 annual general 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.

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports for our beneficial shareholders. This means that only one copy of our proxy materials and our Annual Report on Form 10-K may have been sent to multiple shareholders in your household, unless your bank, broker or nominee received contrary instructions from one or more shareholders in your household. If you want to receive separate copies of our proxy materials or annual reports in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder. We will promptly deliver a separate copy of either document to you if you request one by writing or calling us at the contact information listed later on this page.

We incorporate by reference information from Note 4 to our audited consolidated financial statements for the fiscal year ended March 31, 2018, "Share-Based Compensation," included in our Annual Report on Form 10-K and the sections entitled "Financial Statements and Supplementary Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk." Upon request, we will furnish without charge by first class mail or other equally prompt means within one business day of receipt of such request, to each person to whom a proxy statement is delivered a copy of our Annual Report on Form 10-K (not including exhibits). You may request a copy of such information, at no cost, by writing or telephoning us at:

Flex Ltd.
6201 America Center Drive
San Jose, California 95002 U.S.A.
Telephone: (408) 576-7985

Cautionary Note Regarding Forward-Looking Statements: This document contains forward-looking statements within the meaning of U.S. securities law. These forward-looking statements involve risks and uncertainties that could cause the actual results to differ materially from those anticipated by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. These risks include: that future revenues and earnings may not be achieved as expected; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; litigation and regulatory investigations and proceedings relating to our Audit Committee's independent investigation; our identification of material weaknesses in our internal control over financial reporting, which could, if not remediated result in a material misstatement in our financial statements; compliance with legal and regulatory requirements; the possibility that benefits of the Company's restructuring actions may not materialize as expected; that the expected revenue and margins from recently launched programs may not be realized; our dependence on a small number of customers; geopolitical risk, including the termination and renegotiation of international trade agreements; that recently proposed changes or future changes in tax laws in certain jurisdictions where we operate could materially impact our tax expense; and the effects that the current macroeconomic environment could have on our business and demand for our products as well as the effects that current credit and market conditions could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations. Additional information concerning these and other risks is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our reports on Forms 10-K and 10-Q that we file with the U.S. Securities and Exchange Commission. The forward-looking statements in this document are based on current expectations and Flex assumes no obligation to update these forward-looking statements.

By order of the Board of Directors,

Tay Hong Chin Regina
Company Secretary
July 5, 2018
Singapore

Upon request, we will furnish without charge to each person to whom this proxy statement is delivered a copy of any exhibit listed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018. You may request a copy of this information at no cost, by writing or telephoning us at:

Flex Ltd.
6201 America Center Drive
San Jose, California 95002 U.S.A.
Telephone: (408) 576-7985

FLEX LTD.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share amounts)

	Twelve-Month Periods Ended	
	March 31, 2018	March 31, 2017
Net sales	$25,441,131	$23,862,934
GAAP gross profit	$ 1,595,882	$ 1,520,945
Stock-based compensation expense	19,102	10,023
Distressed customers asset impairments(1)	—	92,915
Restructuring charges	66,845	38,758
Contingencies and other(2)	26,631	14,769
Non-GAAP gross profit	**$ 1,708,460**	**$ 1,677,410**
Adjusted gross margin	***6.7%***	***7.0%***
GAAP income before income taxes	$ 520,893	$ 370,848
Intangible amortization	78,640	81,396
Stock-based compensation expense	85,244	82,266
Distressed customers asset impairments(1)	6,251	92,915
Restructuring charges	90,691	49,395
Contingencies and other(2)	51,631	17,704
Other charges (income), net(3)(4)	(169,719)	21,193
Interest and other, net	122,823	99,532
Non-GAAP operating income	**$ 786,454**	**$ 815,249**
GAAP net income	$ 428,534	$ 319,564
Intangible amortization	78,640	81,396
Stock-based compensation expense	85,244	82,266
Restructuring charges	90,691	49,395
Distressed customers asset impairments(1)	6,251	92,915
Contingencies and other(2)	51,631	17,704
Elementum Deconsolidation(3)	(151,574)	—
Investment and other, net(4)	(14,783)	7,388
Adjustments for taxes(5)	10,217	(10,826)
Non-GAAP net income	**$ 584,851**	**$ 639,802**
Weighted-average shares used in computing per share amounts (Diluted):	536,598	546,220
GAAP Earnings per share (Diluted)	$ 0.80	$ 0.59
Non-GAAP (adjusted earnings per share)	**$ 1.09**	**$ 1.17**
Net cash provided by operating activities	$ 753,598	$ 1,149,909
Purchases of property and equipment	(561,997)	(525,111)
Proceeds from the disposition of property and equipment	44,780	35,606
Free cash flow	**$ 236,381**	**$ 660,404**

(1) Distressed customers asset impairments for fiscal year 2018 relate to additional provision for doubtful accounts receivable for certain customers experiencing significant financial difficulties or contract disengagements. During the second quarter of fiscal year 2017, prices for solar panel modules declined significantly. The Company determined that certain solar panel inventory on

hand as of September 30, 2016, was not fully recoverable and recorded a charge of $60 million to reduce the carrying costs to market in the twelve-month period ended March 31, 2017. The Company also recognized a $16 million impairment charge for solar module equipment and $16.9 million primarily related to negative margin sales and other associated solar panel direct costs. The total charge of $92.9 million is included in cost of sales for the twelve-month period ended March 31, 2017.

(2) Contingencies and other during fiscal year 2018 consists of charges in connection with certain legal matters of which loss contingencies are believed to be probable and estimable. The Company incurred various other charges predominantly related to damages incurred from a typhoon that impacted one of its China facilities. Additionally, certain asset impairments were recorded during both fiscal year 2017 and 2018.

(3) During the second quarter of fiscal year 2018, the Company and other minority shareholders of Elementum amended certain agreements and as a result, the Company concluded it no longer had majority control and accordingly, deconsolidated the entity. As part of the deconsolidation, the Company recognized a gain of approximately $151.6 million with no related tax impact, which is included in other charges (income), net for fiscal year 2018.

(4) The company sold its Wink business during first quarter of fiscal year 2018 to an unrelated third-party venture backed company in exchange for contingent consideration fair valued at $59 million and recognized a gain on sale of $38.7 million, which is recorded in other charges (income), net for fiscal year 2018. In addition, the Company recorded $4.1 million and $21.9 million in the three-month and twelve-month periods ended March 31, 2018, respectively, for impairment of certain non-core investments. The twelve-month period ended March 31, 2017 includes a $7.4 million loss attributable to a non-strategic facility sold during the second quarter of fiscal year 2017.

(5) Recognition of a non-recurring, non-cash, valuation allowance against deferred tax assets in a foreign operating subsidiary offset by the recognition of an associated income tax receivable for prior years.

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

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2018
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 000-23354

FLEX LTD.
(Exact name of registrant as specified in its charter)

Singapore	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2 Changi South Lane, Singapore	**486123**
(Address of registrant's principal executive offices)	(Zip Code)

Registrant's telephone number, including area code
(65) 6876-9899
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Ordinary Shares, No Par Value	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act—**NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of September 29, 2017, the aggregate market value of the Company's ordinary shares held by non-affiliates of the registrant was approximately $8.8 billion based upon the closing sale price as reported on the Nasdaq Global Select Market.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 8, 2018
Ordinary Shares, No Par Value	528,282,247

DOCUMENTS INCORPORATED BY REFERENCE

Document	Parts into Which Incorporated
Proxy Statement to be delivered to shareholders in connection with the Registrant's 2018 Annual General Meeting of Shareholders	Part III

TABLE OF CONTENTS

PART I
FORWARD-LOOKING STATEMENTS

Unless otherwise specifically stated, references in this report to "Flex," "the Company," "we," "us," "our" and similar terms mean Flex Ltd. and its subsidiaries.

Except for historical information contained herein, certain matters included in this annual report on Form 10-K are, or may be deemed to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. The words "will," "may," "designed to," "believe," "should," "anticipate," "plan," "expect," "intend," "estimate" and similar expressions identify forward-looking statements, which speak only as of the date of this annual report. These forward-looking statements are contained principally under Item 1, "Business," and under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Because these forward-looking statements are subject to risks and uncertainties, actual results could differ materially from the expectations expressed in the forward-looking statements. Important factors that could cause actual results to differ materially from the expectations reflected in the forward-looking statements include those described in Item 1A, "Risk Factors" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." In addition, new risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. We undertake no obligation to update or revise these forward-looking statements to reflect subsequent events or circumstances.

ITEM 1. *BUSINESS*

OVERVIEW

We are a globally-recognized, provider of *Sketch-to-Scale*[tm] services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. We design, build, ship and service complete packaged consumer and enterprise products, from athletic shoes to electronics, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

- Communications & Enterprise Compute ("CEC"), which includes our telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; our networking business which includes optical, routing, broadcasting, and switching products for the data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack level solutions, converged infrastructure and software-defined product solutions;
- Consumer Technologies Group ("CTG"), which includes our consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion and apparel, and mobile devices; and including various supply chain solutions for notebook personal computers, tablets, and printers;
- Industrial and Emerging Industries ("IEI"), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, electric vehicle infrastructure, smart solar energy, semiconductor and capital equipment, office solutions, industrial, home and lifestyle, industrial automation, and kiosks; and
- High Reliability Solutions ("HRS"), which is comprised of our health solutions business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; our automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies.

These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the Chief Operating Decision Maker ("CODM"). Our segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 20 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for additional information on our operating segments.

We provide our advanced design, manufacturing and supply chain services through a network of over 100 facilities in approximately 35 countries across four continents. We have established this extensive network of design and manufacturing facilities in the world's major consumer and enterprise products markets (Asia, the Americas, and Europe) in order to serve the supply chain needs of both multinational and regional companies. Our services provide our customers with a competitive advantage by delivering improved product quality, increased flexibility, leading-edge manufacturability, improved performance, faster time-to-market, and competitive costs. Our customers leverage our services to meet their requirements throughout their products' entire life cycles. For the fiscal year ended March 31, 2018, we had revenue of $25.4 billion and net income of $429 million.

Over the past several years, we have evolved beyond a traditional Electronics Manufacturing Services ("EMS") company, and now consider Flex to be a provider of a full range of *Sketch-to-Scale*™ services—beyond electronics manufacturing services—including strategic product development planning and design-phase innovation, supported by teams of talented design engineers. Our innovation strategy is focused on three levels: products, systems, and manufacturing technologies and processes.

We believe that the combination of our extensive innovation platform solutions, design and engineering services, advanced supply chain management solutions and services, significant scale and global presence, and manufacturing campuses in low-cost geographies provide us with a competitive advantage and strong differentiation in the market for designing, manufacturing, and servicing consumer and enterprise products for leading multinational and regional companies. Through these services and facilities, we offer our customers accelerated design, increased flexibility and responsiveness, improved time to market, supply chain predictability and real-time visibility, which enable them to accelerate product launches, enter new markets, mitigate risks, and expand globally.

We recognized research and development costs primarily related to our design and innovations businesses of $78 million, $66 million, and $61 million for the fiscal years ended March 31, 2018, 2017 and 2016, respectively.

INDUSTRY OVERVIEW

Our expertise is *Sketch-to-Scale*™ services: design, manufacture, and supply chain services for a broad range of products, from electronics to athletic shoes. Although Flex has evolved beyond traditional EMS, the majority of our customers are electronics original equipment manufacturers ("OEMs"); as such, the closest broad definition of our industry remains the outsourced EMS industry.

EMS has experienced significant change and growth as an increasing number of companies elect to outsource some or all of their design, manufacturing, and after-market services requirements. In recent years, we have seen an increased level of diversification by many companies, primarily in the technology sector. Companies that have historically identified themselves as software providers, internet service providers, or e-commerce retailers are entering the highly competitive and rapidly evolving hardware markets, with products including mobile devices, home entertainment products, and wearable devices. This trend has resulted in significant changes to the hardware manufacturing and supply chain solutions requirements of such companies. Increasingly complex products require highly customized supply chain solutions, in turn resulting in significant changes to the overall manufacturing and supply chain landscape. The growth of the overall industry for calendar year 2017 is estimated to have been around 5%.

We believe the total available market for the EMS industry is poised for continued growth, with current penetration rates estimated to be about 31%. The intensely competitive nature of the electronics industry, the increasing complexity and sophistication of electronics products, and pressure on OEMs to reduce product costs and shorten product life cycles are all factors that encourage OEMs to utilize supply chain service providers as part of their business and manufacturing strategies. Utilizing global manufacturing and service providers allows OEMs to take advantage of the global design, manufacturing and supply chain management expertise of such providers, and enables OEMs to concentrate on product research, development, marketing, and sales. We believe that OEMs realize a number of important benefits through their strategic relationships with EMS providers, including:

- Improved efficiency and reduced production costs;
- Reduced design and development costs and lead time;

- Accelerated time-to-market and time-to-volume production;
- Reduced capital investment requirements and fixed costs;
- Improved inventory management and purchasing power;
- Access to worldwide design, engineering, manufacturing, and after-market service capabilities; and
- Ability to focus on core branding and R&D initiatives.

We believe that growth in the EMS industry will be largely driven by the need for OEMs to respond to rapidly changing markets and technologies, the increasing complexity of supply chains and the continued pressure to be cost competitive. Additionally, we believe that there are significant opportunities for global EMS providers to win additional business from OEMs in markets or industry segments that have yet to substantially utilize such providers.

SERVICE OFFERINGS

We offer a broad range of customizable services to our customers. We believe that Flex has the broadest worldwide end-to-end supply chain solution capabilities in the industry, from concept design resources to aftermarket services. We believe a key competitive advantage is the Flex Platform, which is our system for improving customer competitiveness by providing superior speed, scope, and scale:

- *Speed:* Our sophisticated supply chain management tools and expertise allow us to provide customers with access to real-time information that increases visibility throughout the entire product lifecycle, reducing risk while accelerating execution.
- *Scope:* Our end-to-end services, *from Sketch-to-Scale*™, include design and innovation services, engineering, logistics, and supply chain management. Our deep industry knowledge and multi-domain expertise accelerates the entire process of producing increasingly complex products for increasingly interconnected industries.
- *Scale:* Our physical infrastructure includes over 100 facilities in approximately 35 countries, staffed by approximately 200,000 employees, providing our customers with truly global scale and strategic geographic distribution capabilities.

We offer global economies of scale in procurement, manufacturing and after-market services, as well as market-focused expertise and capabilities in design and engineering. As a result of our extensive experience in specific markets, we have developed deep understanding of complex market dynamics, giving us the ability to anticipate trends that impact our customers' businesses. Our expertise can help improve our customers' market positioning by effectively adjusting product plans and roadmaps to efficiently and cost-effectively deliver high quality products that meet their time-to-market requirements.

Our services include all processes necessary to design, build, ship and service complete packaged consumer electronics and industrial and consumer products for our customers. These services include:

Innovation Services. This area of our business has seen increased investment and focus over the past six years. We provide a comprehensive set of services that enable companies, from startups to multinationals, to successfully innovate, create new products and solutions, and gain access to new markets. These services span the entire product introduction and solution lifecycle by providing access to new technologies, accelerating product development from early concepts to final production-ready design, and providing advanced manufacturing and testing for new product introduction and market access to grow our customers' offerings. We launched the Silicon Valley Open Innovation Initiative to create an ecosystem of customers, suppliers and design tool makers to drive new product innovation technologies that improve productivity, cost and time-to-market. As part of this initiative, we founded the Silicon Valley Open Innovation Summit.

In fiscal year 2018, we continued to expand our Innovation Centers worldwide and further enhanced our flagship Customer Innovation Center in Silicon Valley. Our innovation services include:

- *Innovations Labs.* Innovation Labs is a design and engineering organization that specializes in supporting customer design and product development services from early concept stages, with the ability

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to accommodate highly ambiguous requirements. Customers gain access to our design and engineering facilities, technical subject matter expertise, and rapid prototyping resources such as metal and plastic 3D printers and soft tooling capabilities.

- *Collective Innovation Platform.* The Collective Innovation Platform is an ecosystem of qualified technology solutions that helps customers reduce time-to-market and enhance product functionality by leveraging technology building blocks that have been qualified by Flex as part our technology Centers of Excellence. By joining the Flex Collective Innovation Program, technology providers can capitalize on their investments and gain access to our large, global customer base. Program members include technology suppliers, startups, software/application providers, research labs/institutes and universities.

- *Lab IX.* A startup accelerator program that invests in the next generation of disruptive technologies, giving startups a competitive advantage by providing them the necessary resources and connections to grow their business. By bringing together startups, OEMs and technology partners, we provide Lab IX portfolio companies with access to our global end-to-end supply chain solutions, our wealth of experience in hardware design, our manufacturing services and logistics across a wide range of markets, and additional benefits from our specialized partners.

- *Centers of Excellence.* Centers of Excellence provide strategic technology capabilities developed by Flex in critical solutions areas which are leveraged across multiple industries, for integration into our customers' products. Centers of Excellence include Human Machine Interface, Wireless and Connectivity, Semiconductors, Sensors and Actuators, Power and Battery Management, Smart Software, Flexible Technology, Computing, and Mechanicals and Plastics.

- *Interconnect Technology Center.* The Interconnect Technology Center provides expertise in both rigid and flexible circuits for next generation printed circuits technology, testing methods, and designs. The Center's state-of-the-art labs are specifically designed for printed circuit innovation, with a focus on embedded components, integration and transfer, wearable and stretchable design, thermal management, system integration and simulation.

- *CloudLabs.* The CloudLabs initiative provides cloud infrastructure companies with engineering and design services to optimize rack-level solutions, especially in the case of multi-vendor equipment integration. CloudLabs enables customers to accelerate a spectrum of cloud, converged infrastructure, and datacenter strategies.

Design and Engineering Services. We offer a comprehensive range of value-added design and engineering services, tailored to the specific markets and needs of our customers. These services can be delivered by one of two primary business models:

- Contract Design Services, where customers purchase engineering and development services on a time and materials basis; or

- Joint Development Manufacturing Services, where our engineering and development teams work jointly with our customers' teams to ensure product development integrity, seamless manufacturing handoffs, and faster time to market.

Our design and engineering services are provided by our global market-based engineering teams and cover a broad range of technical competencies:

- *System Architecture, User Interface and Industrial Design.* We help our customers design and develop innovative and cost-effective products that address the needs of the user and the market. These services include product definition, analysis and optimization of performance and functional requirements, 2-D sketch level drawings, 3-D mock-ups and proofs of concept, interaction and interface models, detailed hard models, and product packaging.

- *Mechanical Engineering, Technology, Enclosure Systems, Thermal and Tooling Design.* We offer detailed mechanical, structural, and thermal design solutions for enclosures that encompass a wide range of plastic, metal and other material technologies. These capabilities and technologies are increasingly important to our customers' product differentiation goals and are increasingly required to be successful in today's competitive marketplace. Additionally, we provide design and development services for prototype and production tooling equipment used in manufacturing.

- *Electronic System Design.* We provide complete electrical and hardware design for products ranging in size from small handheld consumer devices to large, high-speed, carrier-grade, telecommunications equipment, including embedded microprocessors, memory, digital signal processing design, high-speed digital interfaces, analog circuit design, power management solutions, wired and wireless communication protocols, display imaging, audio/video, and radio frequency systems and antenna design.

- *Reliability and Failure Analysis.* We provide comprehensive design for manufacturing, test, and reliability services leveraging robust, internally-developed tools and databases. These services leverage our core manufacturing competencies to help our customers achieve their time-to-revenue goals.

- *Component Level Development Engineering.* We have developed substantial engineering competencies for product development and lifecycle management of various component technologies, such as power solutions, and printed circuit board and interconnection technologies, both rigid and flexible.

We are exposed to different or greater potential liabilities from our various design services than those we face in our core assembly and manufacturing services. See "Risk Factors—*The success of certain of our activities depends on our ability to protect our intellectual property rights; intellectual property infringement claims against our customers or us could harm our business.*"

Systems Assembly and Manufacturing. Our assembly and manufacturing operations, which generate the majority of our revenues, include printed circuit board assembly and assembly of systems and subsystems that incorporate printed circuit boards and complex electromechanical components. We often assemble electronics products with our proprietary printed circuit boards and custom electronic enclosures on either a build-to-order or configure-to-order basis. In these operations, we employ just-in-time, ship-to-stock and ship-to-line programs, continuous flow manufacturing, demand flow processes, and statistical process controls. As our customers seek to provide greater functionality in physically smaller products, they increasingly require more sophisticated manufacturing technologies and processes. Our investment in advanced manufacturing equipment and our expertise in innovative miniaturization, packaging and interconnect technologies, enables us to offer a variety of advanced manufacturing solutions. We support a wide range of product demand profiles, from low-volume, high-complexity programs, to high-volume production. Continuous focus on lean manufacturing, and a systematic approach to identifying and eliminating waste (non-value-added activities) through continuous improvement based on customer demand allows us to increase our efficiency and flexibility to meet dynamic customer requirements. Our systems assembly and manufacturing expertise includes the following:

- *Enclosures.* We offer a comprehensive set of custom electronics enclosures and related products and services. Our services include the design, manufacture and integration of electronics packaging systems, including custom enclosure systems, power and thermal subsystems, interconnect subsystems, cabling, and cases. In addition to standard sheet metal and plastic fabrication services, we assist in the design of electronics packaging systems that protect sensitive electronics and enhance functionality. Our enclosure design services focus on functionality, manufacturability and testing. These services are integrated with our other assembly and manufacturing services to provide our customers with improved overall supply chain management.

- *Testing Services.* We offer computer-aided testing services for assembled printed circuit boards, systems and subsystems. These services significantly improve our ability to deliver high-quality products on a consistent basis. Our test services include management defect analysis, in-circuit testing and functional testing as well as environmental stress tests of board and system assemblies. We also offer design for test, manufacturing, and environmental services to jointly improve customer product design and manufacturing.

- *Materials Procurement and Inventory Management.* Our manufacturing and assembly operations capitalize on our materials inventory management expertise and volume procurement capabilities. As a result, we believe that we are able to achieve highly competitive cost reductions and reduce total manufacturing cycle time for our OEM customers. Materials procurement and management consist of the planning, purchasing, expediting, and warehousing of components and materials used in the manufacturing process. In addition, our strategy includes having third-party suppliers of custom components located in our industrial parks to reduce material and transportation costs, simplify logistics and facilitate inventory management. We also use a sophisticated automated manufacturing resource planning system and enhanced electronic data interchange capabilities to ensure inventory control and optimization. Through our manufacturing resources planning system, we have real-time visibility of material availability and are able to track work in process. We utilize electronic data interchange with our customers and suppliers to implement a variety of supply chain management programs. Electronic data interchange allows customers to share demand and product forecasts, deliver purchase orders and assists suppliers with satisfying just-in-time delivery and supplier-managed inventory requirements. This also enables us to implement vendor-managed inventory solutions to increase flexibility and reduce overall capital allocation in the supply chain. We procure a wide assortment of materials, including electronic components, plastics and metals. There are a number of sources for these materials, including customers for whom we are providing systems assembly and manufacturing services. On some occasions, there have been shortages in certain electronic components, most recently with regard to connectors, capacitors, LCD panels and memory (both DRAM and Flash). However, such shortages have not had a material impact on our operating results for any periods presented. See "Risk Factors—*We may be adversely affected by shortages of required electronic components.*"

Component businesses. We offer the following components product solutions:

- *Rigid and Flexible Printed Circuit Board ("PCB") Fabrication.* Printed circuit boards are composed of laminated materials that provide the interconnection for integrated circuits, passive and other electronic components and thus are at the heart of almost every electrical system. They are formed out of multi-layered epoxy resin and glass cloth systems with very fine traces, spaces, and plated holes (called vias) which interconnect the different layers into an extremely dense circuit network that carries the electrical signals between components. As semiconductor designs become more complex and signal speeds increase, there is an increasing demand for higher density integration on printed circuit boards, requiring higher layer counts, finer lines and spacings, smaller vias (microvias) and base materials with very low electrical loss characteristics. The manufacturing of these complex multilayer interconnect products often requires the use of sophisticated circuit interconnections between layers, and adherence to strict electrical characteristics to maintain consistent transmission speeds and impedances. The global demand for wireless devices and the complexity of wireless products are driving the demand for more flexible printed circuits. Flexible circuit boards facilitate a reduction in the weight of a finished electronic product and allow the designer to use the third dimension in designing new products or product features. Flexible circuits have become a very attractive design alternative for many new and emerging application spaces such as automotive rear light-emitting diode ("LED") lighting, tablet computers, and miniaturized radio frequency identification tags or smart cards. We are an industry leader in high-density interconnect with Every Layer Inter Connect ("ELIC") technology, which is widely used in smart phone designs, and multilayer constructions which are used in advanced routers and switches, telecom equipment, servers, storage, and flexible printed circuit boards and flexible printed circuit board assemblies. Our PCB business (Multek) manufactures printed circuit boards on a low-volume, quick-turn basis, as well as on a high-volume production basis. We provide quick-turn prototype services that allow us to provide small test quantities to meet the needs of customers' product development groups in as quickly as 48 hours. Our extensive range of services enables us to respond to our customers' demands for an accelerated transition from prototype to volume production. Multek offers a one-stop solution from design to manufacturing of PCB, flexible circuits and rigid flex circuits and sub-assemblies. We have printed circuit board and flexible circuit fabrication service capabilities in North America and Asia. Our PCB capabilities are centered in Asia and North America. In March 2018, the Company entered into an agreement with a certain Chinese manufacturing company, to divest its China-based Multek operations. The transaction is expected to close in the second quarter of fiscal year 2019, subject to customary closing conditions, including regulatory approvals. For additional information refer to note 18 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".
- *Power Supplies.* We have a full-service power supply business ("Flex Power") that is a key player in the mobile revolution, with expertise in high efficiency and high density switching power supplies ranging from 1 to 3,000 watts. Our product portfolio includes chargers for smartphones and tablets, adapters for notebooks and gaming, and power supplies for server, storage, and networking markets. We pride ourselves on our ability to service the needs of industry leaders in these markets through valuable technology, design expertise, collaborative development, and efficient execution. Our products are fully compliant with the environmental and Energy Star requirements that drive efficiency specifications in

our industry. Customers who engage with Flex Power gain access to compelling innovations and intellectual property in digital control and smart power.

Logistics. Our Flex Global Services business is a provider of after-market and forward supply chain logistics services. Our comprehensive suite of services is tailored to customers operating in the computing, consumer digital, infrastructure, industrial, mobile and medical markets. Our expansive global infrastructure includes 27 sites and approximately 11,000 employees strategically located throughout the Americas, Europe, and Asia. By leveraging our operational infrastructure, supply chain network, and IT systems, we are able to offer our customers globally consistent logistics solutions. By linking the flow of information from these supply chains, we create supply chain insight for our customers. We provide multiple logistics solutions including supplier-managed inventory, inbound freight management, product postponement, build/configure to order, order fulfillment and distribution, and supply chain network design.

Reverse Logistics and Repair Services. We offer a suite of integrated reverse logistics and repair solutions that use globally consistent processes, which help increase our customers' brand loyalty by improving turnaround times and raising end-customer satisfaction levels. Our objective is to maximize asset value retention for our customers' products throughout their product life cycle while simultaneously minimizing non-value added repair inventory levels and handling in the supply chain. With our suite of end-to-end solutions, we can effectively manage our customers' reverse logistics requirements, while providing critical feedback to their supply chain constituents, delivering continuous improvement and efficiencies for both existing and next generation products. Our reverse logistics and repair solutions include returns management, exchange programs, complex repair, asset recovery, recycling and e-waste management. We provide repair expertise to multiple product lines such as consumer and midrange products, printers, smart phones, consumer medical devices, notebook personal computers, set-top boxes, game consoles and highly complex infrastructure products. With our service parts logistics business, we manage all of the logistics and restocking processes essential to the efficient operation of repair and refurbishment services.

STRATEGY

We build intelligent products for a connected world. We do this by providing our customers with end-to-end product development services, from innovation, design, and engineering, to manufacturing, logistics, and supply chain solutions. We strive to help create a smarter, more connected world, enabling simpler, richer lives through technology. Our strategy is to enable and scale innovation for our customers, maintain our leadership in our core capabilities, and build extended offerings in high-growth sectors.

Talent. To maintain our competitiveness and world-class capabilities, we focus on hiring and retaining the world's best talent. We empower talented employees to develop global supply chain solutions that transform industries and companies. We have taken steps to attract the best functional and operational leaders and have accelerated efforts to develop the future leaders of the company.

Customer-Focus. We believe that serving aspiring leaders in dynamic industries fosters the development of our core skills and results in superior growth and profitability. Our customers come first, and we have a relentless focus on delivering distinctive products and services in a cost-effective manner with fast time-to-market.

Market Focus. We apply a rigorous approach to managing our portfolio of opportunities by focusing on companies that are leaders in their industry and value our superior capabilities in design, manufacturing, supply chain and aftermarket services. We focus our energy and efforts on high-growth markets where we have distinctive competence and compelling value propositions. Examples include our investments in energy, healthcare, automotive, industrial markets, and a number of enabling components technologies. Our market-focused approach to managing our business increases our customers' competitiveness by leveraging our deep industry expertise, as well as global scale and sensitivity and rapid response to changes in market dynamics.

Global Operations Capabilities. We continue to invest in maintaining the leadership of our world-class manufacturing and services capabilities. We constantly push the state of the art in manufacturing technology, process development and operations management. We believe these skills, IP, and assets contribute to our significant competitive advantage. We continue to capitalize on our industrial park concept, where we co-locate our manufacturing, design, and service resources in low-cost regions, to provide a competitive advantage by minimizing logistics, manufacturing costs, and cycle times while increasing flexibility and responsiveness. Our ability to cost effectively manage such a massive worldwide system is itself a major competitive advantage.

Extended Value Propositions. We continue to extend our distinctiveness in manufacturing into new value propositions that leverage our core capabilities. We opportunistically invest in new capabilities and services to provide our customers with a broader value-added suite of services and solutions to meet their product and market requirements. We continue to develop manufacturing process technologies that reduce cost and improve product performance.

COMPETITIVE STRENGTHS

We continue to enhance our business through the development and expansion of our product and service offerings. We strive to maintain the efficiency and flexibility of our organization, with repeatable execution that adapts to macro-economic changes providing clear value to our customers, while increasing their competitiveness. We have a focused strategy on delivering scale, scope and speed to our customers through world-class operations, innovation and design services, supply chain solutions, and industry and market expertise. We provide real-time supply chain applications that enable improved supply chain visibility, allowing customers to better monitor and mitigate risks. We believe the following capabilities further differentiate us from our competitors and enable us to better serve our customers' requirements:

Significant Scale and Global Integrated System. We believe that scale is a significant competitive advantage, as our customers' solutions increasingly require cost structures and capabilities that can only be achieved through size and global reach. We are a leader in global procurement, purchasing approximately $25.0 billion of materials during our fiscal year ended March 31, 2018. As a result, we are able to use our worldwide supplier relationships to achieve advantageous pricing and supply chain flexibility for our customers.

We have established an extensive, integrated network of design, manufacturing and logistics facilities in the world's major consumer electronics and industrial markets to serve the outsourcing needs of both multinational and regional companies. Our extensive global network of over 100 facilities in approximately 35 countries with approximately 200,000 employees, helps increase our customers' competitiveness by simplifying their global product development processes while delivering improved product quality with improved performance and accelerated time to market.

End-to-End Solutions. We offer a comprehensive range of worldwide supply chain services that simplify and improve global product development processes, providing meaningful time and cost savings to our customers. Our broad-based, end-to-end services enable us to cost effectively design, build, ship and service a complete packaged product. We believe that our capabilities help our customers improve product quality, manufacturability and performance, while reducing costs. We have expanded and enhanced our service offering by adding capabilities in 3D printing, automation, innovation labs, real-time supply chain software, plastics, machining, and mobile charging, and by introducing new capabilities in areas such as solar equipment, large format stamping, and chargers.

Long-Standing Customer Relationships. We believe that maintaining our long-term relationships with key customers is a critical requirement for maintaining our market position, growth and profitability. We believe that our ability to maintain and grow these customer relationships results from our history and reputation of creating value for our customers while increasing their own competitiveness. We achieve this through our market-focused approach, our broad range of service offerings and solutions, and our deep industry expertise, which allow us to provide innovative solutions to all of the manufacturing and related service needs of our customers. We continue to receive numerous service and quality awards that further validate the strength of our customer relationships.

Extensive Design and Engineering Capabilities. We have an industry-leading global design service offering, with extensive product design engineering resources, that provides design services, product developments, and solutions to satisfy a wide array of customer requirements across all of our key markets. We combine our design and manufacturing services to provide *Sketch-to-Scale*™ customized solutions that include services from design concept, through product industrialization and product development, including the manufacture of components and complete products (such as smart phones), which are then sold by our customers under their brand names.

Geographic, Customer and End Market Diversification. We believe we have created a well-diversified and balanced company. Our business spans multiple end markets, significantly expanding our total available market. The world is experiencing rapid changes, and macro-economic disruptions have led to demand shifts and realignments. We believe that we are well-positioned through our market diversification to grow faster than the industry average and successfully navigate through difficult economic times. Our broad geographic footprint and experiences with multiple product types and complexity levels create a significant competitive advantage. We continually look for new ways to diversify our offering within each market segment.

Customer and Product Innovation Centers. We have established state-of-the art innovation centers in the Americas, Asia and Europe, with differentiated offerings and specialized services and focus. Some of these offerings include the most advanced 3D plastic printing, 3D metal printing, surface mount technology (SMT), and X-ray and test equipment to support major industries in bringing innovative products to market rapidly. We also have a reliability and failure analysis lab and an automation applications team. Another key feature is our focus on confidentiality and security as we offer dedicated customer-confidential work spaces that provide increased security and restricted access to protect our customers' intellectual property ("IP") and the confidentiality of new products being launched into the marketplace. These innovation centers offer our customers a geographically-focused version of our *Sketch-to-Scale*tm services, taking their product from concept to volume production and go-to-market in a rapid, cost effective and low risk manner.

Industrial Parks; Low-Cost Manufacturing Services. We have developed self-contained campuses that co-locate our manufacturing and logistics operations with our suppliers in various, low-cost locations. These industrial parks enhance our supply chain management efficiency, while providing a low-cost, multi-technology solution for our customers. This approach increases the competitiveness of our customers by reducing logistical barriers and costs, improving communications, increasing flexibility, lowering transportation costs and reducing turnaround times. We have strategically established our industrial parks in Brazil, China, India, Malaysia, Mexico and Poland.

We have selected manufacturing operations situated in low-cost regions of the world to provide our customers with a wide array of manufacturing solutions and low manufacturing costs. As of March 31, 2018, approximately 80% of our manufacturing capacity was located in low-cost locations, such as Brazil, China, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Romania, and the Ukraine. We believe we are a global industry leader in low-cost production capabilities.

CUSTOMERS

Our customers include many of the world's leading technology companies. We have focused on establishing long-term relationships with our customers and have been successful in expanding our relationships to incorporate additional product lines and services.

As our business spans multiple end markets, we believe that we are well-positioned through our market diversification to grow faster than the industry average and successfully navigate through difficult economic times. As an example, we serve the following key customers across our diverse business groups: health solutions customers Abbott and Johnson & Johnson and auto customers Ford and Nexteer in our HRS segment; Teradyne, Applied Materials and Xerox in our IEI segment; Cisco, Nokia Solutions and Huawei in our CEC segment; and Lenovo/Motorola, Nike and Bose in our CTG segment. We continually look for new ways to diversify our offering within each market segment.

In fiscal year 2018, our ten largest customers accounted for approximately 41% of net sales. No customer accounted for greater than 10% of the Company's net sales in fiscal year 2018.

BACKLOG

Although we obtain firm purchase orders from our customers, OEM customers typically do not place firm orders for delivery of products more than 30 to 90 days in advance. In addition, OEM customers may reschedule or cancel firm orders depending on contractual arrangements. Therefore, we do not believe that the backlog of expected product sales covered by firm purchase orders is a meaningful measure of future sales.

COMPETITION

Our market is extremely competitive and includes many companies, several of which have achieved substantial market share. We compete against numerous domestic and foreign manufacturing service providers, as well as our current and prospective customers, who evaluate our capabilities in light of their own capabilities and cost structures. We face particular competition from Asian-based competitors, including Taiwanese Original Design Manufacturing ("ODM") suppliers who compete in a variety of our end markets and have a substantial share of global information technology hardware production.

We compete with different companies depending on the type of service we are providing or the geographic area in which an activity takes place. We believe that the principal competitive factors in the manufacturing services market are: quality and range of services; design and technological capabilities; cost; location of facilities; and responsiveness and flexibility. We believe we are extremely competitive with regard to all of these factors.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Our Corporate Social and Environmental Responsibility ("CSER") management system has several elements, including environmental, health and safety compliance, labor and human rights, ethics, governance, and community engagement. Flex's CSER framework is based upon the principles, policies, and standards prescribed by the Responsible Business Alliance (RBA), a worldwide association of electronics companies committed to promoting an industry code of conduct for global electronics supply chains to improve working and environmental, health and safety conditions, as well as other relevant international standards (e.g., ISO 14001, United Nations Guiding Principles on Business and Human Rights). Flex is a founding member of the RBA. Social responsibility is also an area of increasing regulation, with specific regulations such as the California Transparency in Supply Chains Act, the U.S. Federal Acquisition Regulation on Human Trafficking and the U.K. Modern Slavery Act of 2015, all creating new compliance and disclosure obligations for the Company and for our customers. We operate a number of programs, including compliance audits, data collection, training and leadership programs that focus upon driving continuous improvement in social, ethical, and environmental performance throughout all of our global operating units, all in accordance with our Code of Business Conduct and Ethics. We also go beyond compliance by offering a wide range of programs and initiatives to engage both our internal and external stakeholders. At the heart of this endeavor lies our pragmatic goal of positively influencing the lives of people in the communities in which we operate. We intend to continue investing in these global communities through grant-making, financial contributions, volunteer work, direct engagement and donation of resources. All of these activities are the subject of our annual sustainability reporting, done in accordance with the Global Reporting Initiative's (GRI) standards and as updated semi-annually on the Flex website.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), Section 1502, introduced reporting requirements related to the verification of whether we are directly (or indirectly through suppliers of materials) purchasing the following minerals ("Conflict Minerals"): columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives, which are limited to tantalum, tin and tungsten; or any other mineral or its derivatives as determined by the Secretary of State associated with financing conflicts in the Democratic Republic of the Congo or an adjoining country. We work directly with suppliers, industry groups, and customers to comply with the reporting requirements necessary to comply with this law. See "Risk Factors—*Compliance with government regulations regarding the use of 'conflict minerals' may result in increased costs and risks to us.*" We have filed the required reports on Form SD with the Securities and Exchange Commission (SEC) in accordance with the Dodd-Frank Act. In addition, Flex is a participant in the RBA's Responsible Minerals Initiative, which is evaluating the supply chain risks of Conflict Minerals and other minerals (e.g., cobalt) and studying how to mitigate those risks.

ENVIRONMENTAL REGULATION

Our operations are regulated under various federal, state, local and international laws governing the environment, including laws governing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We have implemented processes and procedures to ensure that our operations are in compliance with all applicable environmental regulations. We do not believe that costs of compliance with these laws and regulations will have a material adverse effect on our capital expenditures, operating results, or competitive position. In addition, we are responsible for cleanup of contamination at some of our current and former manufacturing facilities and at some third-party sites. We engage environmental consulting firms to assist us in the evaluation of environmental liabilities associated with our ongoing operations, historical disposal activities and closed sites in order to establish appropriate accruals in our financial statements. We determine the amount of our accruals for environmental matters by analyzing and estimating the probability of occurrence and the reasonable possibility of incurring costs in light of information currently available. The imposition of more stringent standards or requirements under environmental laws or regulations, the results of future testing and analysis undertaken by us at our operating facilities, or a determination that we are potentially responsible for the release of hazardous substances at other sites could result in expenditures in excess of amounts currently estimated to be required for such matters. Additionally, we could be required to alter our operations in order to comply with any new standards or requirements under environmental laws or regulations. There can be no assurance that additional environmental matters will not arise in the future or that costs will not be incurred with respect to sites as to which no issue is currently known.

We are also required to comply with an increasing number of product environmental compliance regulations focused upon the restriction of certain hazardous substances. For example, the electronics industry is subject to the European Union's ("EU") Restrictions on Hazardous Substances ("RoHS") 2011/65/EU, Waste Electrical and Electronic Equipment ("WEEE") 2012/19/EU directives, the regulation EC 1907/2006 EU Directive REACH ("Registration, Evaluation, Authorization, and Restriction of Chemicals"), and China RoHS entitled, Management Methods for Controlling Pollution for Electronic Information Products ("EIPs"). Similar legislation has been or may be enacted in other jurisdictions, including the United States. Our business requires close collaboration with our customers and suppliers to mitigate risks of non-compliance. We have developed rigorous compliance programs designed to meet the needs and specifications of our customers as well as the regulations. These programs vary from collecting compliance or material data from our Flex controlled or managed suppliers to full laboratory testing, and we include compliance requirements in our standard supplier contracts. Non-compliance could potentially result in significant costs and/or penalties. RoHS and other similar legislation bans or restricts the use of lead, mercury and certain other specified substances in electronics products and WEEE requires EU importers and/or producers to assume responsibility for the collection, recycling and management of waste electronic products and components. In the case of WEEE, although the compliance responsibility rests primarily with the EU importers and/or producers rather than with EMS companies, OEMs may turn to EMS companies for assistance in meeting their WEEE obligations. Flex continues to monitor developments related to product environmental compliance and is working with our customers and other technical organizations to anticipate and minimize any impacts to our operations.

EMPLOYEES

As of March 31, 2018, our global workforce totaled approximately 200,000 employees including our flexible (temporary) workforce. In certain international locations, our employees are represented by labor unions and by work councils. We have never experienced a significant work stoppage or strike, and we believe that our employee relations are good.

Our success depends to a large extent upon the continued services of key managerial and technical employees. The loss of such personnel could seriously harm our business, results of operations and business prospects. To date, we have not experienced significant difficulties in attracting or retaining such personnel.

INTELLECTUAL PROPERTY

We own or license various United States and foreign patents relating to a variety of technologies. For certain of our proprietary processes, inventions, and works of authorship, we rely on trade secret or copyright protection. We also maintain trademark rights (including registrations) for our corporate name and several other trademarks and service marks that we use in our business in the United States and other countries throughout the world. We have implemented appropriate policies and procedures (including both technological means and training programs for our employees) to identify and protect out intellectual property, as well as that of our customers and suppliers. As of March 31, 2018 and 2017, the carrying value of our intellectual property was not material.

Although we believe that our intellectual property assets and licenses are sufficient for the operation of our business as we currently conduct it, from time to time third parties do assert patent infringement claims against us or our customers. In addition, we provide design and engineering services to our customers and also design and make our own products. As a consequence of these activities, our customers are requiring us to take responsibility for intellectual property to a greater extent than in our manufacturing and assembly businesses. If and when third parties make assertions regarding the ownership or right to use intellectual property, we could be required to either enter into licensing arrangements or to resolve the issue through litigation. Such license rights might not be available to us on commercially acceptable terms, if at all, and any such litigation might not be resolved in our favor. Additionally, litigation could be lengthy and costly and could materially harm our financial condition regardless of the outcome. We also could be required to incur substantial costs to redesign a product or re-perform design services.

From time to time, we enter into intellectual property licenses (e.g., patent licenses and software licenses) with third parties which obligate us to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable our use of third party technologies. We may also decline to enter into licenses for intellectual property that we do not think is useful for or used in our operations, or for which our customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of our business and the location of our business around the world, certain activities we perform, such as providing assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. Our licensors may disagree and claim royalties are owed for such activities. In addition, the basis (e.g. base price) for any royalty amounts owed are audited by licensors and may be challenged. Some of these disagreements may lead to claims and litigation that might not be resolved in our favor. Additionally, litigation could be lengthy and costly and could materially harm our financial condition regardless of the outcome.

FINANCIAL INFORMATION ABOUT SEGMENTS AND GEOGRAPHIC AREAS

Refer to note 20 to our consolidated financial statements included under Item 8 for financial information about our business segments and geographic areas.

ADDITIONAL INFORMATION

Our Internet address is https://www.flex.com. We make available through our Internet website the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

We were incorporated in the Republic of Singapore in May 1990. Our principal corporate office is located at 2 Changi South Lane, Singapore 486123. Our U.S. corporate headquarters is located at 6201 America Center Drive, San Jose, CA 95002.

ITEM 1A. *RISK FACTORS*

We depend on industries that continually produce technologically advanced products with short product life cycles and our business would be adversely affected if our customers' products are not successful or if our customers lose market share.

We derive our revenues from customers in the following business groups:

- CEC, which includes our telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; our networking business which includes optical, routing, broadcasting, and switching products for the data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack level solutions, converged infrastructure and software-defined product solutions;

- CTG, which includes our consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion and apparel, and mobile devices; and including various supply chain solutions for notebook personal computers, tablets, and printers;
- IEI, which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, electric vehicle infrastructure, smart solar energy, semiconductor and capital equipment, office solutions, industrial, home and lifestyle, industrial automation, and kiosks; and
- HRS, which is comprised of our health solutions business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; our automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies.

Factors affecting any of these industries in general or our customers in particular, could adversely impact us. These factors include:

- rapid changes in technology, evolving industry standards, and requirements for continuous improvement in products and services that result in short product life cycles;
- demand for our customers' products may be seasonal;
- our customers may fail to successfully market their products, and our customers' products may fail to gain widespread commercial acceptance;
- our customers' products may have supply chain issues;
- our customers may experience dramatic market share shifts in demand which may cause them to lose market share or exit businesses; and
- there may be recessionary periods in our customers' markets.

Our customers may cancel their orders, change production quantities or locations, or delay production, and our current and potential customers may decide to manufacture some or all of their products internally, which could harm our business.

Cancellations, reductions, or delays by a significant customer or by a group of customers have harmed, and may in the future harm, our results of operations by reducing the volumes of products we manufacture and deliver for these customers, by causing a delay in the repayment of our expenditures for inventory in preparation for customer orders, and by lowering our asset utilization resulting in lower gross margins. Additionally, current and prospective customers continuously evaluate our capabilities against other providers as well as against the merits of manufacturing products themselves. Our business would be adversely affected if customers decide to perform these functions internally or transfer their business to another provider. In addition, we face competition from the manufacturing operations of some of our current and potential customers, who are continually evaluating the merits of manufacturing products internally against the advantages of outsourcing. In the past, some of our customers moved a portion of their manufacturing from us in order to more fully utilize their excess internal manufacturing capacity. Any of these developments could cause a decline in our sales, loss of market acceptance of our products or services, decreases of our profits or loss of our market share.

As a provider of design and manufacturing services and components for electronics, we must provide increasingly rapid product turnaround time for our customers. We generally do not obtain firm, long-term purchase commitments from our customers, and we often experience reduced lead times in customer orders which may be less than the lead time we require to procure necessary components and materials.

The short-term nature of our customers' commitments and the rapid changes in demand for their products reduces our ability to accurately estimate the future requirements of our customers. This makes it difficult to schedule production and maximize utilization of our manufacturing capacity. In that regard, we must make significant decisions, including determining the levels of business that we will seek and accept, setting production schedules, making component procurement commitments, and allocating personnel and other resources based on our estimates of our customers' requirements.

On occasion, customers require rapid increases in production or require that manufacturing of their products be transitioned from one facility to another to reduce costs or achieve other objectives. These demands stress our resources, can cause supply chain management issues, and reduce our margins. We may not have sufficient capacity at any given time to meet our customers' demands, and transfers from one facility to another can result in inefficiencies and costs due to excess capacity in one facility and corresponding capacity constraints at another. Many of our costs and operating expenses are relatively fixed, thus customer order fluctuations, deferrals, and transfers of demand from one facility to another, as described above, have had a material adverse effect on our operating results in the past and we may experience such effects in the future.

Our industry is extremely competitive; if we are not able to continue to provide competitive services, we may lose business.

We compete with a number of different companies, depending on the type of service we provide or the location of our operations. For example, we compete with major global EMS providers, other smaller EMS companies that have a regional or product-specific focus and ODMs with respect to some of the services that we provide. We also compete with our current and prospective customers, who evaluate our capabilities in light of their own capabilities and cost structures. Our industry is extremely competitive, many of our competitors have achieved substantial market share, and some may have lower cost structures or greater design, manufacturing, financial or other resources than we do. We face particular competition from Asian-based competitors, including Taiwanese ODM suppliers who compete in a variety of our end markets and have a substantial share of global information technology hardware production. If we are unable to provide comparable manufacturing services and improved products at lower cost than the other companies in our market, our net sales could decline.

A significant percentage of our sales come from a small number of customers and a decline in sales to any of these customers could adversely affect our business.

Sales to our ten largest customers represent a significant percentage of our net sales. Our ten largest customers accounted for approximately 41%, 43% and 46% of net sales in fiscal years 2018, 2017 and 2016, respectively. No customer accounted for more than 10% of net sales in fiscal year 2018 and 2017. Only Lenovo/Motorola, which is reflected in our CTG segment, accounted for more than 10% of net sales in fiscal year 2016. Our principal customers have varied from year to year. These customers may experience dramatic declines in their market shares or competitive position, due to economic or other forces, that may cause them to reduce their purchases from us or, in some cases, result in the termination of their relationship with us. Significant reductions in sales to any of these customers, or the loss of major customers, would materially harm our business. If we are not able to timely replace expired, canceled or reduced contracts with new business, our revenues and profitability could be harmed. Additionally, mergers, acquisitions, consolidations or other significant transactions involving our key customers generally entail risks to our business. If a significant transaction involving any of our key customers results in the loss of or reduction in purchases by the largest customers, it could have a materially adverse effect on our business, results of operations, financial condition and prospects.

Our components business is dependent on our ability to quickly launch world-class components products, and our investment in the development of our component capabilities, together with the start-up and integration costs necessary to achieve quick launches of world-class components products, may adversely affect our margins and profitability.

Our components business, which includes rigid and flexible printed circuit board fabrication, and power supply manufacturing, is part of our strategy to improve our competitive position and to grow our future margins, profitability and shareholder returns by expanding our capabilities. The success of our components business is dependent on our ability to design and introduce world- class components that have performance characteristics which are suitable for a broad market and that offer significant price and/or performance advantages over competitive products.

To create these world class components offerings, we must continue to make substantial investments in the development of our components capabilities, in resources such as research and development, technology licensing, test and tooling equipment, facility expansions and personnel requirements. We may not be able to achieve or maintain market acceptance for any of our components offerings in any of our current or target markets. The success of our components business will also depend upon the level of market acceptance of our customers' end products, which incorporate our components, and over which we have no control.

In addition, customers often require unique configurations or custom designs, which must be developed and integrated in the customer's product well before the customer launches the product. Thus, there is often substantial lead-time between the commencement of design efforts for a customized component and the commencement of volume shipments of the component to the customer. As a result, we may make substantial investments in the development and customization of products for our customers, and no revenue may be generated from these efforts if our customers do not accept the customized component. Even if our customers accept the customized component, if our customers do not purchase anticipated levels of products, we may not realize any profits.

Our achievement of anticipated levels of profitability in our components business is also dependent on our ability to achieve efficiencies in our manufacturing as well as to manufacture components in commercial quantities to the performance specifications demanded by our customers. As a result of these and other risks, we have been, and in the future may be, unable to achieve anticipated levels of profitability in our components business.

Our exposure to financially troubled customers or suppliers may adversely affect our financial results.

We provide manufacturing services to companies and industries that have in the past, and may in the future, experience financial difficulty. If some of our customers experience financial difficulty, we could have difficulty recovering amounts owed to us from these customers, or demand for our products from these customers could decline. Additionally, if our suppliers experience financial difficulty we could have difficulty sourcing supplies necessary to fulfill production requirements and meet scheduled shipments. If one or more of our customers were to become insolvent or otherwise were unable to pay for the services provided by us on a timely basis, or at all, our operating results and financial condition could be adversely affected. Such adverse effects could include one or more of the following: an increase in our provision for doubtful accounts, a charge for inventory write-offs, a reduction in revenue, and an increase in our working capital requirements due to higher inventory levels and increases in days our accounts receivable are outstanding. On April 21, 2016, SunEdison, Inc. and certain of its subsidiaries ("SunEdison") filed for protection under Chapter 11 of the U.S. Bankruptcy Code. For the fiscal year ended March 31, 2016, we recognized a bad debt reserve charge of $61.0 million associated with our outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90 million. During the second quarter of fiscal year 2017, prices for solar panel modules declined significantly. We determined that certain solar panel inventory previously designated for SunEdison on hand at the end of the second quarter of fiscal year 2017 was not fully recoverable and recorded a charge of $60.0 million to reduce the carrying costs to market during fiscal year 2017. In addition, we recognized a $16.0 million impairment charge for solar module equipment and incurred $16.9 million of incremental costs primarily related to negative margin sales and other associated solar panel direct costs. The estimates underlying our recorded provisions, as well as consideration of other potential customer bankruptcy-related contingencies associated with the SunEdison bankruptcy proceedings, are based on the facts currently known to us; no preference claims have been asserted against the Company. SunEdison stated in schedules filed with the Bankruptcy Court that, within the 90 days preceding SunEdison's bankruptcy filing, the Company received approximately $98.6 million of inventory and cash transfers of $69.2 million, which in aggregate represents the Company's estimate of the maximum reasonably possible contingent loss. On April 15, 2018, a subsidiary of the Company together with its subsidiaries and affiliates, entered into a tolling agreement with the trustee of the SunEdison Litigation Trust to toll any applicable statute of limitations or other time-related defense that might exist in regards to any potential claims that either party might be able to assert against the other for a period that will end at the earlier to occur of: (a) 60 days after a party provides written notice of termination; (b) six years from the effective date of April 15, 2018; or (c) such other date as the parties may agree in writing. We believe that we continue to have a number of affirmative and direct defenses to any potential claims for recovery and intend to vigorously defend any such claim, if asserted. An unfavorable resolution of this matter could be material to our results of operations, financial condition, or cash flows.

We may be adversely affected by shortages of required electronic components.

From time to time, we have experienced shortages of some of the electronic components that we use. These shortages can result from strong demand for those components or from problems experienced by suppliers, such as shortages of raw materials. These unanticipated component shortages could result in curtailed production or delays in production, which may prevent us from making scheduled shipments to customers. Our inability to make scheduled shipments could cause us to experience a reduction in sales, increase in inventory levels and costs, and could adversely affect relationships with existing and prospective customers. Component shortages may also increase our cost of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results. Our performance depends, in part, on our ability to incorporate changes in component costs into the selling prices for our products.

Our supply chain may also be impacted by other events outside our control, including macro-economic events, political crises or natural or environmental occurrences.

Our margins and profitability may be adversely affected due to substantial investments, start-up and production ramp costs in our design services.

As part of our strategy to enhance our end-to-end service offerings, we continue to expand our design and engineering capabilities. Providing these services can expose us to different or greater potential risks than those we face when providing our manufacturing services.

Although we enter into contracts with our design services customers, we may design and develop products for these customers prior to receiving a purchase order or other firm commitment from them. We are required to make substantial investments in the resources necessary to design and develop these products, and no revenue may be generated from these efforts if our customers do not approve the designs in a timely manner or at all. In addition, we may make investments in designing products and not be able to design viable manufacturable products, in which cases we may not be able to recover our investments. Even if we are successful in designing manufacturable products and our customers accept our designs, if our customers do not then purchase anticipated levels of products, we may not realize any profits. Our design activities often require that we purchase inventory for initial production runs before we have a purchase commitment from a customer. Even after we have a contract with a customer with respect to a product, these contracts may allow the customer to delay or cancel deliveries and may not obligate the customer to any particular volume of purchases. These contracts can generally be terminated on short notice. In addition, some of the products we design and develop must satisfy safety and regulatory standards and some must receive government certifications. If we fail to obtain these approvals or certifications on a timely basis, we would be unable to sell these products, which would harm our sales, profitability and reputation.

Our design services offerings require significant investments in research and development, technology licensing, test and tooling equipment, patent applications, facility building and expansion and recruitment. We may not be able to achieve a high enough level of sales for this business to be profitable. The initial costs of investing in the resources necessary to expand our design and engineering capabilities, and in particular to support our design services offerings, have historically adversely affected our profitability, and may continue to do so as we continue to make investments to grow these capabilities.

In addition, we agree to certain product price limitations and cost reduction targets in connection with these services. Inflationary and other increases in the costs of the raw materials and labor required to produce the products have occurred and may recur from time to time. Also, the production ramps for these programs are typically significant and negatively impact our margin in early stages as the manufacturing volumes are lower and result in inefficiencies and unabsorbed manufacturing overhead costs. We may not be able to reduce costs, incorporate changes in costs into the selling prices of our products, or increase operating efficiencies as we ramp production of our products, which would adversely affect our margins and our results of operations.

We conduct operations in a number of countries and are subject to the risks inherent in international operations.

The geographic distances between the Americas, Asia and Europe create a number of logistical and communications challenges for us. These challenges include managing operations across multiple time zones, directing the manufacture and delivery of products across distances, coordinating procurement of components and raw materials and their delivery to multiple locations, and coordinating the activities and decisions of the core management team, which is based in a number of different countries.

Facilities in several different locations may be involved at different stages of the production process of a single product, leading to additional logistical difficulties.

Because our manufacturing operations are located in a number of countries throughout the Americas, Asia and Europe, we are subject to risks of changes in economic and political conditions in those countries, including:

- fluctuations in the value of local currencies;
- labor unrest, difficulties in staffing and geographic labor shortages;
- longer payment cycles;
- cultural differences;
- increases in duties, tariffs, and taxation levied on our products including anti-dumping and countervailing duties;
- trade restrcitions and/or potential trade wars;
- increased scrutiny by the media and other third parties of labor practices within our industry (including but not limited to working conditions) which may result in allegations of violations, more stringent and burdensome labor laws and regulations and inconsistency in the enforcement and interpretation of such laws and regulations, higher labor costs, and/or loss of revenues if our customers become dissatisfied with our labor practices and diminish or terminate their relationship with us;
- imposition of restrictions on currency conversion or the transfer of funds;
- limitations on imports or exports of components or assembled products, or other trade sanctions;
- expropriation of private enterprises;
- ineffective legal protection of our intellectual property rights in certain countries;
- natural disasters;
- exposure to infectious disease and epidemics;
- inability of international customers and suppliers to obtain financing resulting from tightening of credit in international financial markets;
- political unrest; and
- a potential reversal of current favorable policies encouraging foreign investment or foreign trade by our host countries.

The attractiveness of our services to U.S. customers can be affected by changes in U.S. trade policies, such as most favored nation status and trade preferences for some Asian countries.

In addition, some countries in which we operate, such as Brazil, Hungary, India, Mexico, Malaysia and Poland, have experienced periods of slow or negative growth, high inflation, significant currency devaluations or limited availability of foreign exchange. Furthermore, in countries such as China, Brazil, India and Mexico, governmental authorities exercise significant influence over many aspects of the economy, and their actions could have a significant effect on us. We could be seriously harmed by inadequate infrastructure, including lack of adequate power and water supplies, transportation, raw materials and parts in countries in which we operate. In addition, we may encounter labor disruptions and rising labor costs, in particular within the lower-cost regions in which we operate. Any increase in labor costs that we are unable to recover in our pricing to our customers could adversely impact our operating results.

Operations in foreign countries also present risks associated with currency exchange and convertibility, inflation and repatriation of earnings. In some countries, economic and monetary conditions and other factors could affect our ability to convert our cash distributions to U.S. dollars or other freely convertible currencies, or to move funds from our accounts in these countries. Furthermore, the central bank of any of these countries may have the authority to suspend, restrict or otherwise impose conditions on foreign exchange transactions or to approve distributions to foreign investors.

Matters arising out of or relating to our Audit Committee's independent investigation, including litigation and regulatory investigations and proceedings, may adversely affect our business.

As previously disclosed, the Audit Committee of our Board of Directors, with the assistance of independent outside counsel, undertook an independent investigation relating to the accounting treatment of customer obligations and certain related reserves. The independent outside counsel also notified the San Francisco office of the Securities and Exchange Commission (the "SEC").

To date, we have incurred significant expenses related to legal, accounting, and other professional services in connection with the Audit Committee's independent investigation and related matters, and may continue to incur significant additional expenses with regard to these matters and related remediation efforts.

Following our announcement of the Audit Committee's independent investigation, a putative class action was filed in the Northern District of California against the Company and certain officers alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5, promulgated thereunder, alleging misstatements and/or omissions in certain of the Company's financial statements, press releases, and SEC filings made during the putative class period of January 26, 2017 through April 26, 2018; and we could also become subject to additional future lawsuits or future regulatory investigations or proceedings relating to the subject matter of the independent investigation. Any existing or future lawsuits and/or any future regulatory investigations or proceedings could be time-consuming, result in significant expense and divert the attention and resources of our management and other key employees, as well as harm our reputation, business, financial condition or results of operations.

We have identified material weaknesses in our internal control over financial reporting which could, if not remediated, result in a material misstatement in our financial statements.

As further described in Item 9A, "*Controls and Procedures,*" our management and our independent registered public accounting firm have concluded that, as of March 31, 2018, our internal control over financial reporting was not effective due to material weaknesses. We determined that there was insufficient documentation of, and ineffective design of controls over, the accounting for accrued customer obligations related to customer contracts. Factors contributing to this included insufficient training of site and segment operational and accounting personnel, and inadequate monitoring, including contract compliance, to ensure the components of internal control were present and functioning. In addition, the control environment was ineffective in ensuring that executive management's expectations of adherence to the Company's policies and standards of conduct were followed at all levels of the Company and in ensuring that any deviations therefrom were identified and corrected in a timely manner. These deficiencies resulted in a reasonable possibility that a material misstatement in our financial statements will not be prevented or detected on a timely basis and aggregated to material weaknesses in our internal control over financial reporting relating to the accounting for customer contractual obligations and aspects of our control environment and monitoring activities. No material misstatements were identified in our financial statements for the years ended March 31, 2018, 2017 and 2016. While management has put additional manual monitoring controls in place and has undertaken, and will continue to undertake steps to improve our internal control over financial reporting to address and remediate the material weaknesses, we cannot conclude at this time that the material weaknesses have been remediated. There can be no assurance that we will be able to successfully remediate the identified material weaknesses, or that we will not identify additional control deficiencies or material weaknesses in the future. If we are unable to successfully remediate our existing or any future material weaknesses in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities laws and Nasdaq listing requirements regarding the timely filing of periodic reports, investors may lose confidence in our financial reporting and the price of our ordinary shares may decline.

The success of certain of our activities depends on our ability to protect our intellectual property rights; claims of infringement or misuse of intellectual property and/or breach of license agreement provisions against our customers or us could harm our business.

We retain certain intellectual property rights to some of the technologies that we develop as part of our engineering, design and manufacturing services and components offerings. The measures we have taken to prevent unauthorized use of our technology may not be successful. If we are unable to protect our intellectual property rights, this could reduce or eliminate the competitive advantages of our proprietary technology, which would harm our business.

Our engineering, design and manufacturing services and components offerings involve the creation and use of intellectual property rights, which subject us to the risk of claims of infringement or misuse of intellectual property from third parties and/or breach of our agreements with third parties, as well as claims arising from the allocation of intellectual property risk among us and our customers. From time to time, we enter into intellectual property licenses (e.g., patent licenses and software licenses) with third parties which obligate us to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable our use of third party technologies. We may also decline to enter into licenses for intellectual property that we do not think is useful for or used in our operations, or for which our customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of our business and the location of our business around the world, certain activities we perform, such as providing assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. Our licensors may disagree and claim royalties are owed for such activities. In addition, the basis (e.g. base price) for any royalty amounts owed are audited by licensors and may be challenged. Our customers are increasingly requiring us to indemnify them against the risk of intellectual property-related claims and licensors are claiming that activities we perform are covered by licenses to which we are a party. In March 2018, we received an inquiry from a licensor referencing a patent license agreement, and requesting information relating royalties for products that we assemble for a customer in China. If any of these inquiries result in a claim, the Company intends to contest any such claim vigorously. If a claim is asserted and we are unsuccessful in its defense, a material loss is reasonably possible. We cannot predict or estimate an amount or reasonable range of outcomes with respect to the matter.

If any claims of infringement or misuse of intellectual property from third parties and/or breach of our agreements with third parties, as well as claims arising from the allocation of intellectual property risk among us and our customers, are brought against us or our customers, whether or not these have merit, we could be required to expend significant resources in defense of such claims. In the event of such a claim, we may be required to spend a significant amount of money to develop alternatives or obtain licenses or to resolve the issue through litigation. We may not be successful in developing such alternatives or obtaining such licenses on reasonable terms or at all, and any such litigation might not be resolved in our favor, in which cases we may be required to curtail certain of our services and offerings. Additionally, litigation could be lengthy and costly, and could materially harm our financial condition regardless of outcome.

We are subject to risks relating to litigation and regulatory investigations and proceedings, which may have a material adverse effect on our business.

From time to time, we are involved in various claims, suits, investigations and legal proceedings. Additional legal claims or regulatory matters may arise in the future and could involve matters relating to commercial disputes, government regulatory and compliance, intellectual property, antitrust, tax, employment or shareholder issues, product liability claims and other issues on a global basis. If we receive an adverse judgment in any such matter, we could be required to pay substantial damages and cease certain practices or activities. Regardless of the merits of the claims, litigation and other proceedings may be both time- consuming and disruptive to our business. The defense and ultimate outcome of any lawsuits or other legal proceedings may result in higher operating expenses and a decrease in operating margin, which could have a material adverse effect on our business, financial condition, or results of operations.

A breach of our IT or physical security systems, or violation of data privacy laws, may cause us to incur significant legal and financial exposure.

We rely on our information systems to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers, and other business partners), and to manage or support a variety of critical business processes and activities. We regularly face attempts by others to gain unauthorized access through the Internet or to introduce malicious software to our information systems. We are also a target of malicious attackers who attempt to gain access to our network or data centers or those of our customers or end users; steal proprietary information related to our business, products, employees, and customers; or interrupt our systems and services or those of our customers or others. We believe such attempts are increasing in number and in technical sophistication. In some instances, we, our customers, and the users of our products and services might be unaware of an incident or its magnitude and effects. We have implemented security systems with the intent of maintaining the physical security of our facilities and inventory and protecting our customers' and our suppliers' confidential information. In addition, while we seek to detect and investigate all unauthorized attempts and attacks against our network, products, and services, and to prevent their recurrence where practicable through changes to our internal processes and tools, we are subject to, and at times have suffered from, breach of these security systems which have in the past and may in the future result in unauthorized access to our facilities and/or unauthorized use or theft of the inventory or information we are trying to protect. If unauthorized parties gain physical access to our inventory or if they gain electronic access to our information systems or if such information or inventory is used in an unauthorized manner, misdirected, lost or stolen during transmission or transport, any theft or misuse of such information or inventory could result in, among other things, unfavorable publicity, governmental inquiry and oversight, difficulty in marketing our services, allegations by our customers that we have not performed our contractual obligations, litigation by affected parties including our customers and possible financial obligations for damages related to the theft or misuse of such information or inventory, any of which could have a material adverse effect on our profitability and cash flow. In addition, new data privacy laws and regulations, including the new European Union General Data Protection Regulation ("GDPR") effective May 2018, pose increasingly complex compliance challenges, which may increase compliance costs, and any failure to comply with data privacy laws and regulations could result in significant penalties.

Our strategic relationships with major customers create risks.

In the past, we have completed numerous strategic transactions with customers. Under these arrangements, we generally acquire inventory, equipment and other assets from the customers, and lease or acquire their manufacturing facilities, while simultaneously entering into multi-year manufacturing and supply agreements for the production of their products. We may pursue these customer divestiture transactions in the future. These arrangements entered into with divesting customers typically involve many risks, including the following:

- we may need to pay a purchase price to the divesting customers that exceeds the value we ultimately may realize from the future business of the customer;
- the integration of the acquired assets and facilities into our business may be time-consuming and costly, including the incurrence of restructuring charges;
- we, rather than the divesting customer, bear the risk of excess capacity at the facility;
- we may not achieve anticipated cost reductions and efficiencies at the facility;
- we may be unable to meet the expectations of the customer as to volume, product quality, timeliness and cost reductions;
- our supply agreements with the customers generally do not require any minimum volumes of purchase by the customers, and the actual volume of purchases may be less than anticipated; and
- if demand for the customers' products declines, the customer may reduce its volume of purchases, and we may not be able to sufficiently reduce the expenses of operating the facility or use the facility to provide services to other customers.

As a result of these and other risks, we have been, and in the future may be, unable to achieve anticipated levels of profitability under these arrangements. In addition, these strategic arrangements have not, and in the future may not, result in any material revenues or contribute positively to our earnings per share.

If our compliance policies are breached, we may incur significant legal and financial exposure.

We have implemented local and global compliance policies to ensure compliance with our legal obligations across our operations. A significant legal risk resulting from our international operations is compliance with the U.S. Foreign Corrupt Practices Act or similar local laws of the countries in which we do business, including the UK Anti-Bribery Act, which prohibits covered companies from making payments to foreign government officials to assist in obtaining or retaining business. Our Code of Business Conduct prohibits corrupt payments on a global basis and precludes us from offering or giving anything of value to a government official for the purpose of obtaining or retaining business, to win a business advantage or to improperly influence a decision regarding Flex. Nevertheless, there can be no assurance that all of our employees and agents will refrain from taking actions in violation of this and our related anti-corruption policies and procedures. Any such violation could have a material adverse effect on our business.

We are subject to the risk of increased income taxes.

We are subject to taxes in numerous jurisdictions. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory rates and changes in tax laws or their interpretation including changes related to tax holidays or tax incentives. The international tax environment continues to change as a result of both coordinated efforts by governments and unilateral measures designed by individual countries, both intended to tackle concerns over perceived international tax avoidance techniques, which could ultimately have an adverse effect on the taxation of international businesses. On December 22, 2017, the U.S. President signed the Tax Cuts and Jobs Act (the "TCJA") into law. Effective January 1, 2018, among other changes, the TCJA reduces the U.S. federal corporate tax rate to 21 percent, provides for a deemed repatriation and taxation at reduced rates of certain non-U.S. subsidiaries owned by U.S. companies' historical earnings (a "transition tax"), and establishes new mechanisms to tax such earnings going forward. Similar to other large multinational companies with complex tax structures, the TCJA has wide ranging implications for us. We will continue to analyze the effects of the TCJA on our financial statements and operations. In addition, legislative changes may result from the Organization for Economic Co-operation and Development's Base Erosion and Profit Shifting Project. Any such changes, if adopted, could adversely impact our effective tax rate.

Our taxes could also increase if certain tax holidays or incentives are not renewed upon expiration, or if tax rates applicable to us in such jurisdictions are otherwise increased. Our continued ability to qualify for specific tax holiday extensions will depend on, among other things, our anticipated investment and expansion in these countries and the manner in which the local governments interpret the requirements for modifications, extensions or new incentives.

In addition, the Company and its subsidiaries are regularly subject to tax return audits and examinations by various taxing jurisdictions around the world. In determining the adequacy of our provision for income taxes, we regularly assess the likelihood of adverse outcomes resulting from tax examinations. While it is often difficult to predict the final outcome or the timing of the resolution of a tax examination, we believe that our reserves for uncertain tax benefits reflect the outcome of tax positions that are more likely than not to occur. However, we cannot assure you that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examination, there could be a material adverse effect on our tax provision, operating results, financial position and cash flows in the period or periods for which that determination is made.

If we do not effectively manage changes in our operations, our business may be harmed; we have taken substantial restructuring charges in the past and we may need to take material restructuring charges in the future.

The expansion of our business, as well as business contractions and other changes in our customers' requirements, have in the past, and may in the future, require that we adjust our business and cost structures by incurring restructuring charges. Restructuring activities involve reductions in our workforce at some locations and closure of certain facilities. All of these changes have in the past placed, and may in the future place, considerable strain on our financial and management control systems and resources, including decision support, accounting management, information systems and facilities. If we do not properly manage our financial and management controls, reporting systems and procedures to manage our employees, our business could be harmed.

In recent years, including during fiscal year 2018, we initiated targeted restructuring activities focused on optimizing the our cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions. Restructuring charges are recorded based upon employee termination dates, site closure and consolidation plans generally in conjunction with an overall corporate initiative to drive cost reduction and realign the Company's global footprint.

While we incurred severance, asset impairment charges and other charges as a result of changes in our customer mix on an ongoing basis, such individual actions were not considered material and did not qualify as restructuring charges per accounting principles generally accepted in the United States to be separately disclosed as restructuring charges in fiscal year 2016 and are included in either cost of sales or selling, general and administrative expenses, as appropriate. Our restructuring activities undertaken during fiscal years 2018 and 2017 have been disclosed separately on our statement of operations. We may be required to take additional charges in the future to align our operations and cost structures with global economic conditions, market demands, cost competitiveness, and our geographic footprint as it relates to our customers' production requirements. We may consolidate certain manufacturing facilities or transfer certain of our operations to lower cost geographies. If we are required to take additional restructuring charges in the future, our operating results, financial condition, and cash flows could be adversely impacted. Additionally, there are other potential risks associated with our restructurings that could adversely affect us, such as delays encountered with the finalization and implementation of the restructuring activities, work stoppages, and the failure to achieve targeted cost savings.

Changes in financial accounting standards or policies have affected, and in the future may affect, our reported financial condition or results of operations.

We prepare our financial statements in conformity with U.S. GAAP. These principles are subject to interpretation by the Financial Accounting Standards Board (FASB), the American Institute of Certified Public Accountants (AICPA), the SEC and various bodies formed to interpret and create accounting policies. For example, significant changes to revenue recognition rules have been enacted and will begin to apply to us in fiscal year 2019 per Accounting Standard Update ("ASU") 2014-09 "Revenue from Contracts with Customers (Topic 606)". Changes to accounting rules or challenges to our interpretation or application of the rules by regulators may have a material adverse effect on our reported financial results or on the way we conduct business. Refer to "Recently Issued Accounting Pronouncements" within note 2 of Item 8, Financial Statements and Supplementary Data.

We may encounter difficulties with acquisitions and divestitures, which could harm our business.

We have completed numerous acquisitions of businesses and we may acquire additional businesses in the future. Any future acquisitions may require additional equity financing, which could be dilutive to our existing shareholders, or additional debt financing, which could increase our leverage and potentially affect our credit ratings. Any downgrades in our credit ratings associated with an acquisition could adversely affect our ability to borrow by resulting in more restrictive borrowing terms. As a result of the foregoing, we also may not be able to complete acquisitions or strategic customer transactions in the future to the same extent as in the past, or at all.

To integrate acquired businesses, we must implement our management information systems, operating systems and internal controls, and assimilate and manage the personnel of the acquired operations. The difficulties of this integration may be further complicated by geographic distances. The integration of acquired businesses may not be successful and could result in disruption to other parts of our business. In addition, the integration of acquired businesses may require that we incur significant restructuring charges.

In addition, acquisitions involve numerous risks and challenges, including:

- diversion of management's attention from the normal operation of our business;
- potential loss of key employees and customers of the acquired companies;
- difficulties managing and integrating operations in geographically dispersed locations;
- the potential for deficiencies in internal controls at acquired companies;
- increases in our expenses and working capital requirements, which reduce our return on invested capital;
- lack of experience operating in the geographic market or industry sector of the acquired business;
- cybersecurity and compliance related issues;
- initial dependence on unfamiliar supply chain or relatively small supply chain partners; and
- exposure to unanticipated liabilities of acquired companies.

In addition, divestitures involve significant risks, including without limitation, difficulty finding financially sufficient buyers or selling on acceptable terms in a timely manner, and the agreed-upon terms could be renegotiated due to changes in business or market conditions. Divestitures could adversely affect our profitability and, under certain circumstances, require us to record impairment charges or a loss as a result of the transaction. In addition, completing divestitures requires expenses and management attention and could leave us with certain continuing liabilities.

These and other factors have harmed, and in the future could harm, our ability to achieve anticipated levels of profitability at acquired operations or realize other anticipated benefits of an acquisition or divestiture, and could adversely affect our business and operating results.

We may not meet regulatory quality standards applicable to our manufacturing and quality processes for medical devices, which could have an adverse effect on our business, financial condition or results of operations.

As a medical device manufacturer, we have additional compliance requirements. We are required to register with the U.S. Food and Drug Administration ("FDA") and are subject to periodic inspection by the FDA for compliance with the FDA's Quality System Regulation ("QSR") requirements, which require manufacturers of medical devices to adhere to certain regulations, including testing, quality control and documentation procedures. Compliance with applicable regulatory requirements is subject to continual review and is rigorously monitored through periodic inspections and product field monitoring by the FDA. If any FDA inspection reveals noncompliance with QSR or other FDA regulations, and the Company does not address the observation adequately to the satisfaction of the FDA, the FDA may take action against us. FDA actions may include issuing a letter of inspectional observations, issuing a warning letter, imposing fines, bringing an action against the Company and its officers, requiring a recall of the products we manufactured for our customers, refusing requests for clearance or approval of new products or withdrawal of clearance or approval previously granted, issuing an import detention on products entering the U.S. from an offshore facility, or shutting down a manufacturing facility. If any of these actions were to occur, it would harm our reputation and cause our business to suffer.

In the European Union ("EU"), we are required to maintain certain standardized certifications in order to sell our products and must undergo periodic inspections to obtain and maintain these certifications. Continued noncompliance to the EU regulations could stop the flow of products into the EU from us or from our customers. In China, the Safe Food and Drug Administration controls and regulates the manufacture and commerce of healthcare products. We must comply with the regulatory laws applicable to medical device manufactures or our ability to manufacture products in China could be impacted. In Japan, the Pharmaceutical Affairs Laws regulate the manufacture and commerce of healthcare products. These regulations also require that subcontractors manufacturing products intended for sale in Japan register with authorities and submit to regulatory audits. Other Asian countries and Latin America where we operate have similar laws regarding the regulation of medical device manufacturing.

If our products or components contain defects, demand for our services may decline and we may be exposed to product liability and product warranty liability.

Defects in the products we manufacture or design, whether caused by a design, engineering, manufacturing or component failure or deficiencies in our manufacturing processes, could result in product or component failures, which may damage our business reputation and expose us to product liability or product warranty claims.

Product liability claims may include liability for personal injury or property damage. Product warranty claims may include liability to pay for the recall, repair or replacement of a product or component. Although we generally allocate liability for these claims in our contracts with our customers, increasingly we are unsuccessful in allocating such liability, and even where we have allocated liability to our customers, our customers may not have the resources to satisfy claims for costs or liabilities arising from a defective product or component for which they have assumed responsibility.

If we design, engineer or manufacture a product or component that is found to cause any personal injury or property damage or is otherwise found to be defective, we could spend a significant amount of money to resolve the claim. In addition, product liability and product recall insurance coverage are expensive and may not be available for some or all of our services offerings on acceptable terms, in sufficient amounts, or at all. A successful product liability or product warranty claim in excess of our insurance coverage or any material claim for which insurance coverage is denied, limited or is not available could have a material adverse effect on our business, results of operations and financial condition.

Fluctuations in foreign currency exchange rates could increase our operating costs.

We have manufacturing operations and industrial parks that are located in lower cost regions of the world, such as Asia, Eastern Europe and Mexico. A portion of our purchases and our sale transactions are denominated in currencies other than the United States dollar. As a result, we are exposed to fluctuations in these currencies impacting our fixed cost overhead or our supply base relative to the currencies in which we conduct transactions.

Currency exchange rates fluctuate on a daily basis as a result of a number of factors, including changes in a country's political and economic policies. Volatility in the functional and non-functional currencies of our entities and the United States dollar could seriously harm our business, operating results and financial condition. The primary impact of currency exchange fluctuations is on the cash, receivables, payables and expenses of our operating entities. As part of our currency hedging strategy, we use financial instruments such as forward exchange, swap contracts, and options to hedge our foreign currency exposure in order to reduce the short-term impact of foreign currency rate fluctuations on our operating results. If our hedging activities are not successful or if we change or reduce these hedging activities in the future, we may experience significant unexpected fluctuations in our operating results as a result of changes in exchange rates.

We are also exposed to risks related to the valuation of the Chinese currency relative to the U.S. dollar. The Chinese currency is the renminbi ("RMB"). A significant increase in the value of the RMB could adversely affect our financial results and cash flows by increasing both our manufacturing costs and the costs of our local supply base.

Our operating results may fluctuate significantly due to seasonal demand.

Two of our significant end markets are the mobile devices market and the consumer devices market. These markets exhibit particular strength generally in the two quarters leading up to the end of the calendar year in connection with the holiday season. As a result, we have historically experienced stronger revenues in our second and third fiscal quarters as compared to our other fiscal quarters. Economic or other factors leading to diminished orders in the end of the calendar year could harm our business.

We depend on our executive officers and skilled management personnel.

Our success depends to a large extent upon the continued services of our executive officers and other key employees. Generally, our employees are not bound by employment or non-competition agreements, and we cannot assure you that we will retain our executive officers and other key employees. We could be seriously harmed by the loss of any of our executive officers or other key employees. We will need to recruit and retain skilled management personnel, and if we are not able to do so, our business could be harmed. In addition, in connection with expanding our design services offerings, we must attract and retain experienced design engineers. There is substantial competition in our industry for highly skilled employees. Our failure to recruit and retain experienced design engineers could limit the growth of our design services offerings, which could adversely affect our business.

Our failure to comply with environmental laws could adversely affect our business.

We are subject to various federal, state, local and foreign environmental laws and regulations, including regulations governing the use, storage, discharge and disposal of hazardous substances used in our manufacturing processes. We are also subject to laws and regulations governing the recyclability of products, the materials that may be included in products, and our obligations to dispose of these products after end users have finished with them. Additionally, we may be exposed to liability to our customers relating to the materials that may be included in the components that we procure for our customers' products. Any violation or alleged violation by us of environmental laws could subject us to significant costs, fines or other penalties.

We are also required to comply with an increasing number of global and local product environmental compliance regulations focused on the restriction of certain hazardous substances. We are subject to the EU directives, including the Restrictions on RoHS, the WEEE as well as the EU's REACH regulation. In addition, new technical classifications of e-Waste being discussed in the Basel Convention technical working group could affect both our customers' abilities and obligations in electronics repair and refurbishment. Also of note is China's Management Methods for Controlling Pollution Caused by EIPs regulation, commonly referred to as "China RoHS", which restricts the importation into and production within China of electrical equipment containing certain hazardous materials. Similar legislation has been or may be enacted in other jurisdictions, including in the United States. RoHS and other similar legislation bans or restricts the use of lead, mercury and certain other specified substances in electronics products and WEEE requires EU importers and/or producers to assume responsibility for the collection, recycling and management of waste electronic products and components. We have developed rigorous risk mitigating compliance programs designed to meet the needs of our customers as well as applicable regulations. These programs may include collecting compliance data from our suppliers, full laboratory testing and public reporting of other environmental metrics such as carbon emissions, electronic waste and water, and we also require our supply chain to comply. Non-compliance could potentially result in significant costs and/or penalties. In the case of WEEE, the compliance responsibility rests primarily with the EU importers and/or producers rather than with EMS companies. However, customers may turn to EMS companies for assistance in meeting their obligations under WEEE.

In addition, we are responsible for the cleanup of contamination at some of our current and former manufacturing facilities and at some third party sites. If more stringent compliance or cleanup standards under environmental laws or regulations are imposed, or the results of future testing and analyses at our current or former operating facilities indicate that we are responsible for the release of hazardous substances into the air, ground and/or water, we may be subject to additional liability. Additional environmental matters may arise in the future at sites where no problem is currently known or at sites that we may acquire in the future. Additionally, we could be required to alter our manufacturing and operations and incur substantial expense in order to comply with environmental regulations. Our failure to comply with environmental laws and regulations or adequately address contaminated sites could limit our ability to expand our facilities or could require us to incur significant expenses, which would harm our business.

Failure to comply with domestic or international employment and related laws could result in the payment of significant damages, which would reduce our net income.

We are subject to a variety of domestic and foreign employment laws, including those related to safety, wages and overtime, discrimination, whistle-blowing, classification of employees and severance payments. Enforcement activity relating to these laws, particularly outside of the United States, can increase as a result of increased media attention due to violations by other companies, changes in law, political and other factors. There can be no assurance that we won't be found to have violated such laws in the future, due to a more aggressive enforcement posture by governmental authorities or for any other reason. Any such violations could lead to the assessment of fines against us by federal, state or foreign regulatory authorities or damages payable to employees, which fines could be substantial and which would reduce our net income.

Our business could be impacted as a result of actions by activist shareholders or others.

We may be subject, from time to time, to legal and business challenges in the operation of our company due to actions instituted by activist shareholders or others. Responding to such actions could be costly and time-consuming, may not align with our business strategies and could divert the attention of our Board of Directors and senior management from the pursuit of our business strategies. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may make it more difficult to attract and retain qualified personnel and business partners and may affect our relationships with vendors, customers and other third parties.

Our debt level may create limitations.

As of March 31, 2018, our total debt was approximately $2.9 billion. This level of indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, and may limit our ability to access additional capital or execute our business strategy.

Changes in our credit rating may make it more expensive for us to raise additional capital or to borrow additional funds. We may also be exposed to interest rate fluctuations on our outstanding borrowings and investments.

Our credit is rated by credit rating agencies. Our 4.625% Notes, our 5.000% Notes and our 4.750% Notes are currently rated BBB- by Standard and Poor's ("S&P") which is considered to be "investment grade" by S&P, rated Baa3 by Moody's which is considered to be "investment grade" by Moody's, and rated BBB- by Fitch which is considered to be "investment grade" by Fitch. Any decline in our credit rating may make it more expensive for us to raise additional capital in the future on terms that are acceptable to us, if at all, negatively impact the price of our ordinary shares, increase our interest payments under some of our existing debt agreements, and have other negative implications on our business, many of which are beyond our control. In addition, the interest rate payable on some of our credit facilities is subject to adjustment from time to time if our credit ratings change. Thus, any potential future negative change in our credit rating may increase the interest rate payable on these credit facilities.

In addition, we are exposed to interest rate risk under our variable rate terms loans, bilateral facilities and revolving credit facility for indebtedness we have incurred or may incur under such borrowings. The interest rates under these borrowings are based on either (i) a margin over LIBOR or (ii) the base rate (the greatest of the agent's prime rate, the federal funds rate plus 0.50% and LIBOR for a one-month interest period plus 1.00%) plus an applicable margin, in each case depending on our credit rating. Refer to the discussion in note 8, "Bank Borrowings and Long-Term Debt" to the consolidated financial statements for further details of our debt obligations. We are also exposed to interest rate risk on our invested cash balances, our securitization facilities and our factoring activities.

Weak global economic conditions, geopolitical uncertainty and instability in financial markets may adversely affect our business, results of operations, financial condition, and access to capital markets.

Our revenue and gross margin depend significantly on general economic conditions and the demand for products in the markets in which our customers compete. Adverse worldwide economic conditions and geopolitical uncertainty may create challenging conditions in the electronics industry. For example, these conditions may be adversely impacted by the pending withdrawal of the United Kingdom from the EU following its referendum on EU membership and the actions that the U.S. has taken or may take with respect to certain treaty and trade relationships with other countries. These conditions may result in reduced consumer and business confidence and spending in many countries, a tightening in the credit markets, a reduced level of liquidity in many financial markets, high volatility in credit, fixed income and equity markets, currency exchange rate fluctuations, and global economic uncertainty. In addition, longer term disruptions in the capital and credit markets could adversely affect our access to liquidity needed for our business. If financial institutions that have extended credit commitments to us are adversely affected by the conditions of the U.S. and international capital markets, they may become unable to fund borrowings under their credit commitments to us, which could have an adverse impact on our financial condition and our ability to borrow additional funds, if needed, for working capital, capital expenditures, acquisitions, research and development and other corporate purposes.

Catastrophic events could have a material adverse effect on our operations and financial results.

Our operations or systems could be disrupted by natural disasters, terrorist activity, public health issues, cyber security incidents, interruptions of service from utilities, transportation or telecommunications providers, or other catastrophic events. Such events could make it difficult or impossible to manufacture or deliver products to our customers, receive production materials from our suppliers, or perform critical functions, which could adversely affect our revenue and require significant recovery time and expenditures to resume operations. While we maintain business recovery plans that are intended to allow us to recover from natural disasters or other events that can be disruptive to our business, some of our systems are not fully redundant and we cannot be sure that our plans will fully protect us from all such disruptions.

We maintain a program of insurance coverage for a variety of property, casualty, and other risks. We place our insurance coverage with multiple carriers in numerous jurisdictions. However, one or more of our insurance providers may be unable or unwilling to pay a claim. The types and amounts of insurance we obtain vary depending on availability, cost, and decisions with respect to risk retention. The policies have deductibles and exclusions that result in us retaining a level of self-insurance. Losses not covered by insurance may be large, which could harm our results of operations and financial condition.

Our business could be adversely affected by any delays, or increased costs, resulting from issues that our common carriers are dealing with in transporting our materials, our products, or both.

We rely on a variety of common carriers to transport our materials from our suppliers to us, and to transport our products from us to our customers. Problems suffered by any of these common carriers, whether due to a natural disaster, labor problem, increased energy prices, criminal activity or some other issue, could result in shipping delays, increased costs, or other supply chain disruptions, and could therefore have a material adverse effect on our operations.

We are subject to risks associated with investments.

We invest in private funds and companies for strategic reasons and may not realize a return on our investments. We make investments in private funds and companies to further our strategic objectives, support key business initiatives and develop business relationships with related portfolio companies. Many of the instruments in which we invest are non-marketable at the time of our initial investment. If any of the funds or companies in which we invest fail, we could lose all or part of our investment. If we need to determine that an other-than-temporary decline in the fair value exists for an investment, we would need to write down the investment to its fair value and recognize a loss.

Our business and operations could be adversely impacted by climate change initiatives.

Concern over climate change has led to international legislative and regulatory initiatives directed at limiting carbon dioxide and other greenhouse gas emissions. Proposed and existing efforts to address climate change by reducing greenhouse gas emissions could directly or indirectly affect our costs of energy, materials, manufacturing, distribution, packaging and other operating costs, which could impact our business and financial results.

Our goodwill and identifiable intangible assets could become impaired, which could reduce the value of our assets and reduce our net income in the year in which the write-off occurs.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. We also ascribe value to certain identifiable intangible assets, which consist primarily of customer relationships, developed technology and trade names, among others, as a result of acquisitions. We may incur impairment charges on goodwill or identifiable intangible assets if we determine that the fair values of goodwill or identifiable intangible assets are less than their current carrying values. We evaluate, on a regular basis, whether events or circumstances have occurred that indicate all, or a portion, of the carrying amount of goodwill may no longer be recoverable, in which case an impairment charge to earnings would become necessary.

Refer to note 2 to the consolidated financial statements and 'critical accounting policies' in "management's discussion and analysis of financial condition and results of operations" for further discussion of the impairment testing of goodwill and identifiable intangible assets.

A decline in general economic conditions or global equity valuations could impact the judgments and assumptions about the fair value of our businesses and we could be required to record impairment charges on our goodwill or other identifiable intangible assets in the future, which could impact our consolidated balance sheet, as well as our consolidated statement of operations. If we are required to recognize an impairment charge in the future, the charge would not impact our consolidated cash flows, liquidity, capital resources, and covenants under our existing credit facilities, asset securitization program, and other outstanding borrowings.

The market price of our ordinary shares is volatile.

The stock market in recent years has experienced significant price and volume fluctuations that have affected the market prices of companies, including technology companies. These fluctuations have often been unrelated to or disproportionately impacted by the operating performance of these companies. The market for our ordinary shares has been and may in the future be subject to similar volatility. Factors such as fluctuations in our operating results, announcements of technological innovations or events affecting other companies in the electronics industry, currency fluctuations, general market fluctuations, and macro-economic conditions may cause the market price of our ordinary shares to decline.

Compliance with government regulations regarding the use of "conflict minerals" may result in increased costs and risks to us.

As part of the Dodd-Frank Act, the SEC has promulgated disclosure requirements regarding the use of certain minerals ("Minerals") that may have originated in the Democratic Republic of the Congo or adjoining countries. In our most recent report on Form SD, we reported that, based on our diligence review, we were unable to determine whether Minerals contained in our products originated in the Democratic Republic of the

Congo or adjoining countries or whether the mining or trade of such Minerals directly or indirectly financed or otherwise benefited armed groups in those countries. We expect to undertake further reviews of our supply chain as necessary to comply with the SEC's requirements. Additionally, customers rely on us to provide critical data regarding the products they purchase and request information on such Minerals. Our materials sourcing is broad-based and multi-tiered, and we may not be able to easily verify the origins of the Minerals used in the products we sell. We have many suppliers and each may provide the required information in a different manner, if at all. Accordingly, because the supply chain is complex, our reputation may suffer if we are unable to sufficiently verify the origins of the Minerals, if any, used in our products. Additionally, customers may demand that the products they purchase be free of any Minerals originating in the specified countries. The implementation of this requirement could affect the sourcing and availability of products we purchase from our suppliers. This may reduce the number of suppliers that may be able to provide products and may affect our ability to obtain products in sufficient quantities to meet customer demand or at competitive prices.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. *PROPERTIES*

Our facilities consist of a global network of industrial parks, regional manufacturing operations, and design, engineering and product introduction centers, providing approximately 28 million square feet of productive capacity as of March 31, 2018.

The composition of the square footage of our facilities, by region, is as follows:

	Americas	Asia	Europe	Total
	(in million square feet) Manufacturing Square Footage Space			
Manufacturing - Leased	3.8	6.7	1.4	11.9
Manufacturing - Owned	5.4	7.7	3.0	16.1
Total	9.2	14.4	4.4	28.0
	Total Square Footage Space			
Manufacturing	9.2	14.4	4.4	28.0
Non-manufacturing	10.5	8.7	5.2	24.4
Total	19.7	23.1	9.6	52.4

Our facilities include large industrial parks, ranging in size from 0.5 million to 5.5 million square feet in Brazil, China, India, Malaysia, Mexico and Poland. We also have regional manufacturing operations, generally ranging in size from under 100,000 to approximately 1.6 million square feet in Austria, Brazil, Canada, China, Czech Republic, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Romania, Singapore, Switzerland, the Ukraine and the United States. We also have smaller design and engineering centers, innovation centers and product introduction centers at a number of locations in the world's major industrial and electronics markets.

Our facilities are well maintained and suitable for the operations conducted. The productive capacity of our plants is adequate for current needs.

ITEM 3. *LEGAL PROCEEDINGS*

For a description of our material legal proceedings, see note 13 "Commitments and Contingencies" to the consolidated financial statements included under Item 8, which is incorporated herein by reference.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

PRICE RANGE OF ORDINARY SHARES

Our ordinary shares are quoted on the Nasdaq Global Select Market under the symbol "FLEX." The following table sets forth the high and low per share sales prices for our ordinary shares since the beginning of fiscal year 2017 as reported on the Nasdaq Global Select Market.

	High	Low
Fiscal Year Ended March 31, 2018		
Fourth Quarter	$19.61	$16.31
Third Quarter	19.09	16.75
Second Quarter	17.09	15.52
First Quarter	17.62	15.15
Fiscal Year Ended March 31, 2017		
Fourth Quarter	$16.88	$14.33
Third Quarter	14.84	13.54
Second Quarter	13.69	11.66
First Quarter	13.19	11.69

As of June 8, 2018 there were 3,090 holders of record of our ordinary shares and the closing sales price of our ordinary shares as reported on the Nasdaq Global Select Market was $14.07 per share.

DIVIDENDS

Since inception, we have not declared or paid any cash dividends on our ordinary shares. We currently do not have plans to pay any dividends in fiscal year 2019.

STOCK PRICE PERFORMANCE GRAPH

The following stock price performance graph and accompanying information is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, regardless of any general incorporation language in any such filing.

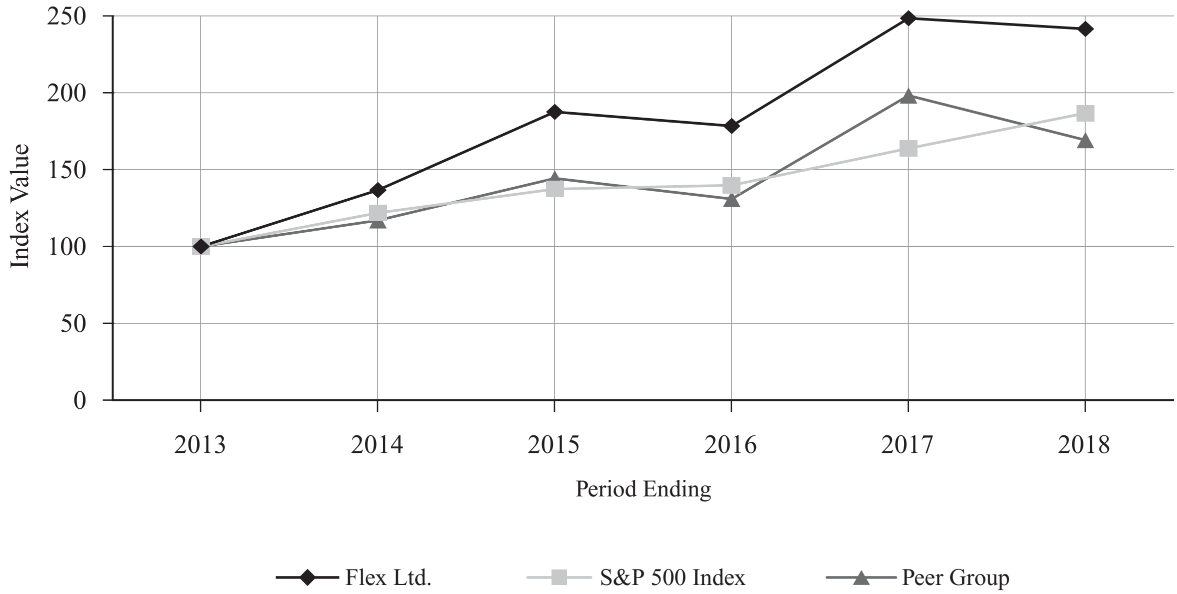
The graph below compares the cumulative total shareholder return on our ordinary shares, the Standard & Poor's 500 Stock Index and a peer group comprised of Benchmark Electronics, Inc., Celestica Inc., Jabil Inc., and Sanmina Corporation.

The graph below assumes that $100 was invested in our ordinary shares, in the Standard & Poor's 500 Stock Index and in the peer group described above on March 31, 2013 and reflects the annual return through March 31, 2018, assuming dividend reinvestment.

The comparisons in the graph below are based on historical data and are not indicative of, or intended to forecast, the possible future performances of our ordinary shares.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Flex, the S&P 500 Index, and Peer Group



	3/13	3/14	3/15	3/16	3/17	3/18
Flex Ltd.	100.00	136.69	187.57	178.40	248.52	241.57
S&P 500 Index	100.00	121.86	137.37	139.82	163.83	186.75
Peer Group	100.00	116.99	144.33	130.91	198.24	169.22

Issuer Purchases of Equity Securities

On August 15, 2017, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $500 million. This is in accordance with the share purchase mandate whereby our shareholders approved a repurchase limit of 20% of our issued ordinary shares outstanding at the Annual General Meeting held on the same date as the Board authorization. As of March 31, 2018, shares in the aggregate amount of $410,064,509 were available to be repurchased under the current plan. There were no purchases of our ordinary shares made by us for the period from January 1, 2018 through March 31, 2018.

RECENT SALES OF UNREGISTERED SECURITIES

None.

INCOME TAXATION UNDER SINGAPORE LAW

Dividends. Singapore does not impose a withholding tax on dividends. All dividends are tax exempt to shareholders.

Gains on Disposal. Under current Singapore tax law there is no tax on capital gains, thus any profits from the disposal of shares are not taxable in Singapore unless the gains arising from the disposal of shares are income in nature and subject to tax, especially if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore (in which case, the profits on the sale would be taxable as trade profits rather than capital gains).

Shareholders who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 Financial Instruments—Recognition and Measurement ("FRS 39") for the purposes of Singapore income tax may be required to recognize gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of shares is made.

Stamp Duty. There is no stamp duty payable for holding shares, and no duty is payable on the issue of new shares. When existing shares are acquired in Singapore, a stamp duty of 0.2% is payable on the instrument of transfer of the shares at market value. The stamp duty is borne by the purchaser unless there is an agreement to the contrary. If the instrument of transfer is executed outside of Singapore, the stamp duty must be paid only if the instrument of transfer is received in Singapore.

Estate Taxation. The estate duty was abolished for deaths occurring on or after February 15, 2008. For deaths prior to February 15, 2008 the following rules apply:

If an individual who is not domiciled in Singapore dies on or after January 1, 2002, no estate tax is payable in Singapore on any of our shares held by the individual.

If property passing upon the death of an individual domiciled in Singapore includes our shares, Singapore estate duty is payable to the extent that the value of the shares aggregated with any other assets subject to Singapore estate duty exceeds S$600,000. Unless other exemptions apply to the other assets, for example, the separate exemption limit for residential properties, any excess beyond S$600,000 will be taxed at 5% on the first S$12,000,000 of the individual's chargeable assets and thereafter at 10%.

An individual shareholder who is a U.S. citizen or resident (for U.S. estate tax purposes) will have the value of the shares included in the individual's gross estate for U.S. estate tax purposes. An individual shareholder generally will be entitled to a tax credit against the shareholder's U.S. estate tax to the extent the individual shareholder actually pays Singapore estate tax on the value of the shares; however, such tax credit is generally limited to the percentage of the U.S. estate tax attributable to the inclusion of the value of the shares included in the shareholder's gross estate for U.S. estate tax purposes, adjusted further by a pro rata apportionment of available exemptions. Individuals who are domiciled in Singapore should consult their own tax advisors regarding the Singapore estate tax consequences of their investment.

Tax Treaties Regarding Withholding. There is no reciprocal income tax treaty between the U.S. and Singapore regarding withholding taxes on dividends and capital gains.

ITEM 6. *SELECTED FINANCIAL DATA*

These historical results are not necessarily indicative of the results to be expected in the future. The following selected consolidated financial data set forth below was derived from our historical audited consolidated financial statements and is qualified by reference to and should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data."

	Fiscal Year Ended March 31,				
	2018	2017	2016	2015	2014
	(In millions, except per share amounts)				
CONSOLIDATED STATEMENT OF OPERATIONS DATA:					
Net sales	$25,441	$23,863	$24,419	$26,148	$26,109
Cost of sales	23,778	22,303	22,811	24,603	24,610
Restructuring charges(3)	67	39	—	—	59
Gross profit	1,596	1,521	1,608	1,545	1,440
Selling, general and administrative expenses	1,019	937	955	844	875
Intangible amortization	79	81	66	32	29
Restructuring charges(3)	24	11	—	—	17
Other charges (income), net(1)	(170)	21	48	(53)	57
Interest and other, net	123	100	84	51	62
Income before income taxes	521	371	455	671	400
Provision for income taxes	92	51	11	70	35
Net income	$ 429	$ 320	$ 444	$ 601	$ 365
Diluted earnings per share:					
Total	$ 0.80	$ 0.59	$ 0.79	$ 1.02	$ 0.59

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	As of March 31,				
	2018	2017	2016	2015	2014
			(In millions)		
CONSOLIDATED BALANCE SHEET DATA:					
Working capital(2)	$ 1,902	$ 1,883	$ 1,743	$ 1,986	$ 1,745
Total assets	13,716	12,593	12,385	11,653	12,485
Total long-term debt, excluding current portion	2,898	2,891	2,709	2,026	2,056
Shareholders' equity	3,019	2,678	2,606	2,396	2,202

(1) For fiscal years 2018, 2017 and 2016, refer to note 16 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion.

During fiscal year 2015, an amendment to a customer contract to reimburse a customer for certain performance provisions was executed which included the removal of a $55 million contractual obligation recognized during fiscal year 2014. Accordingly, the Company reversed this charge with a corresponding credit to other charges (income), net in the consolidated statement of operations. Additionally, during fiscal year 2015, the Company recognized a loss of $11 million in connection with the disposition of a manufacturing facility in Western Europe. The Company received $12 million in cash for the sale of $27 million in net assets of the facility. The loss also includes $5 million of estimated transaction costs, partially offset by a gain of $9 million for the release of cumulative foreign currency translation gains triggered by the disposition.

Other charges, net in the fiscal year 2014 includes $55 million of other charges for the contractual obligation to reimburse a customer for certain performance provisions. Additionally, the Company exercised warrants to purchase common shares of a certain supplier and sold the underlying shares for total proceeds of $67 million resulting in a loss of $7 million.

(2) Working capital is defined as current assets less current liabilities.

(3) The Company initiated restructuring plans during fiscal years 2018, 2017 and 2014. For the restructuring plans initiated during fiscal year 2018 and 2017, please refer to note 15 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

This report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. The words "expects," "anticipates," "believes," "intends," "plans" and similar expressions identify forward-looking statements. In addition, any statements which refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this Form 10-K with the Securities and Exchange Commission. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those discussed in this section and in Item 1A, "Risk Factors." In addition, new risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. Accordingly, our future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

OVERVIEW

We are a globally-recognized, provider of *Sketch-to-Scale*tm services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. We design, build, ship and service complete packaged consumer and enterprise products, from athletic shoes to electronics, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

- Communications & Enterprise Compute ("CEC"), which includes our telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; our networking business which includes optical, routing, broadcasting, and switching products for the data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack level solutions, converged infrastructure and software-defined product solutions;
- Consumer Technologies Group ("CTG"), which includes our consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion and apparel, and mobile devices; and including various supply chain solutions for notebook personal computers, tablets, and printers;
- Industrial and Emerging Industries ("IEI"), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, electric vehicle infrastructure, smart solar energy, semiconductor and capital equipment, office solutions, industrial, home and lifestyle, industrial automation, and kiosks; and
- High Reliability Solutions ("HRS"), which is comprised of our health solutions business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; our automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies.

These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the Chief Operating Decision Maker ("CODM"). Our segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 20 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for additional information on our operating segments.

Our strategy is to provide customers with a full range of cost competitive, vertically-integrated global supply chain solutions through which we can design, build, ship and service a complete packaged product for our customers. This enables our customers to leverage our supply chain solutions to meet their product requirements throughout the entire product life cycle.

Over the past few years, we have seen an increased level of diversification by many companies, primarily in the technology sector. Some companies that have historically identified themselves as software providers, Internet service providers or e-commerce retailers have entered the highly competitive and rapidly evolving technology hardware markets, such as mobile devices, home entertainment and wearable devices. This trend has resulted in a significant change in the manufacturing and supply chain solutions requirements of such companies. While the products have become more complex, the supply chain solutions required by such companies have become more customized and demanding, and it has changed the manufacturing and supply chain landscape significantly.

We use a portfolio approach to manage our extensive service offerings. As our customers change the way they go to market, we have the capability to reorganize and rebalance our business portfolio in order to align with our customers' needs and requirements in an effort to optimize operating results. The objective of our business model is to allow us to be flexible and redeploy and reposition our assets and resources as necessary to meet specific customer's supply chain solutions needs across all the markets we serve and earn a return on our invested capital above the weighted average cost of that capital.

During the past several years, we have evolved our long-term portfolio towards a mix of businesses which possess longer product life cycles and higher segment operating margins such as reflected in our IEI and HRS businesses. Since the beginning of fiscal year 2016, we launched several programs broadly across our portfolio of services and in some instances we deployed certain new technologies. We continue to invest in innovation and we have expanded our design and engineering relationships through our product innovation centers.

We believe that our continued business transformation is strategically positioning us to take advantage of the long-term, future growth prospects for outsourcing of advanced manufacturing capabilities, design and engineering services and after-market services, which remain strong.

We are one of the world's largest providers of global supply chain solutions, with revenues of $25.4 billion in fiscal year 2018. We have established an extensive network of manufacturing facilities in the world's major consumer and enterprise markets (Asia, the Americas, and Europe) to serve the growing outsourcing needs of both multinational and regional customers. We design, build, ship, and service consumer and enterprise products for our customers through a network of over 100 facilities in approximately 35 countries across four continents. As of March 31, 2018, our total manufacturing capacity was approximately 28 million square feet. In fiscal year 2018, our net sales in Asia, the Americas and Europe represented approximately 44%, 39% and 17%, respectively, of our total net sales, based on the location of the manufacturing site. The following tables set forth net sales and net property and equipment, by country, based on the location of our manufacturing sites and the relative percentages:

Net sales:	Fiscal Year Ended March 31,					
	2018		2017		2016	
			(In millions)			
China	$ 7,450	29%	$ 7,214	30%	$ 8,471	35%
Mexico	4,362	17%	4,076	17%	3,645	15%
U.S.	2,860	11%	2,560	11%	2,768	11%
Brazil	2,578	10%	1,908	8%	1,839	8%
Malaysia	2,005	8%	2,267	10%	2,242	9%
Other	6,186	25%	5,838	24%	5,454	22%
	$25,441		$23,863		$24,419	

Property and equipment, net:	Fiscal Year Ended March 31,			
	2018		2017	
		(In millions)		
Mexico	$ 587	26%	$ 525	23%
China	492	22%	720	31%
U.S.	305	14%	291	13%
Malaysia	153	7%	173	7%
Hungary	150	7%	133	6%
Other	553	24%	475	21%
	$2,240		$2,317	

We believe that the combination of our extensive open innovation platform solutions, design and engineering services, advanced supply chain management solutions and services, significant scale and global presence, and manufacturing campuses in low-cost geographic areas provide us with a competitive advantage and strong differentiation in the market for designing, manufacturing and servicing consumer and enterprise products for leading multinational and regional customers. Specifically, we have launched multiple product innovation centers ("PIC") focused exclusively on offering our customers the ability to simplify their global product development, manufacturing process, and after sales services, and enable them to meaningfully accelerate their time to market and cost savings.

Our operating results are affected by a number of factors, including the following:

- changes in the macro-economic environment and related changes in consumer demand;
- the mix of the manufacturing services we are providing, the number, size, and complexity of new manufacturing programs, the degree to which we utilize our manufacturing capacity, seasonal demand, shortages of components and other factors;

- the effects on our business when our customers are not successful in marketing their products, or when their products do not gain widespread commercial acceptance;
- our ability to achieve commercially viable production yields and to manufacture components in commercial quantities to the performance specifications demanded by our customers;
- the effects on our business due to certain customers' products having short product life cycles;
- our customers' ability to cancel or delay orders or change production quantities;
- our customers' decisions to choose internal manufacturing instead of outsourcing for their product requirements;
- our exposure to financially troubled customers;
- integration of acquired businesses and facilities;
- increased labor costs due to adverse labor conditions in the markets we operate;
- changes in tax legislation; and
- changes in trade regulations and treaties.

We also are subject to other risks as outlined in Item 1A, "Risk Factors".

Net sales for fiscal year 2018 increased 7% or $1.6 billion to $25.4 billion from the prior year. The increase was primarily due to a $1.0 billion increase in our IEI segment, as well as $0.6 billion increases in each of our HRS and CTG segments, partially offset by a $0.7 billion decrease in our CEC segment. Our fiscal year 2018 gross profit totaled $1.6 billion, representing an increase of $75 million, or 4.9%, from the prior year, which is primarily due to contribution flow through from the additional $1.6 billion in sales from the prior year, offset by restructuring charges of $67 million included in cost of sales in fiscal year 2018. Our net income totaled $429 million, representing an increase of $109 million, or 34%, compared to fiscal year 2017. The increase in net income during fiscal year 2018 is primarily due to the same factors explained above coupled with the recognition of a $152 million gain from the deconsolidation of our subsidiary, Elementum SCM (Cayman) Ltd ("Elementum"), and a $39 million gain from sale of Wink Labs Inc. ("Wink"). Refer to note 6 and note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for details of the deconsolidation of Elementum and the disposition of Wink, respectively.

Cash provided by operations decreased by approximately $0.3 billion to $0.8 billion for fiscal years 2018 compared with $1.1 billion for fiscal year 2017 primarily due to unfavorable changes in operating assets and liabilities. Our average net working capital, defined as accounts receivable, including the deferred purchase price receivables from our asset-backed securitization programs, plus inventory, less accounts payable, as a percentage of annualized sales decreased by 0.5% to 6.4%. Our free cash flow, which we define as cash from operating activities less net purchases of property and equipment, was $236 million for fiscal year 2018 compared to $660 million for fiscal year 2017. The decrease in free cash flow is primarily due to lesser cash flows from operations and higher capital expenditures in fiscal year 2018. Refer to the Liquidity and Capital Resources section for the free cash flows reconciliation to our most directly comparable GAAP financial measure of cash flows from operations. Cash used in investing activities increased by approximately $0.2 billion to $0.9 billion for fiscal year 2018, compared with $0.7 billion for fiscal year 2017, primarily due to an increase in the amount of cash paid for acquired businesses during fiscal year 2018. Cash used in financing activities totaled $188 million during fiscal year 2018, which decreased $54 million from $242 million in the prior year, primarily due to a lower level of repurchases of ordinary shares.

Additionally, in fiscal year 2018, the Company initiated targeted restructuring activities, focused on optimizing our cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions. The objective of the plan is to make Flex a faster, more responsive and agile company, better positioned to react to marketplace opportunities. During the year ended March 31, 2018, we recognized $91 million of pre-tax restructuring charges, comprised of $79 million of cash charges predominantly related to severance costs and $12 million of non-cash charges primarily related to asset impairment and other exit charges.

Audit Committee Investigation Completed

As previously disclosed, the Audit Committee of the Company's Board of Directors (the "Audit Committee"), with the assistance of independent outside counsel, undertook an independent investigation relating to the accounting treatment of customer obligations and certain related reserves. The independent outside counsel also notified the SEC. The Audit Committee has now completed its investigation.

The Company, working with its independent registered public accounting firm, identified and the Audit Committee concurred with such identification, material weaknesses in our internal control over financial reporting which could, if not remediated, result in material misstatements in our financial statements. Notwithstanding the identification of such material weaknesses, management believes that the Company's financial statements included in this annual report on Form 10-K fairly present, in all material respects, the Company's financial condition, results of operations and cash flows as of, and for the periods presented, in conformity with accounting principles generally accepted in the United States of America. The conclusions of management, with which the Audit Committee concurred, concerning the material weaknesses in the Company's internal control over financial reporting are described further in Item 9A "*Controls and Procedures*".

We have undertaken, and will continue to undertake, steps to improve our internal control over financial reporting to address and remediate the material weaknesses. The proposed plan to remediate the material weaknesses is described further in Item 9A "*Controls and Procedures*".

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements. For further discussion of our significant accounting policies, refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data."

Revenue Recognition

We recognize manufacturing revenue when we ship goods or the goods are received by our customer, title and risk of ownership have passed, the price to the buyer is fixed or determinable and recoverability is reasonably assured. Generally, there are no formal substantive customer acceptance requirements or further obligations related to manufacturing services. If such requirements or obligations exist, then we recognize the related revenues at the time when such requirements are completed, and the obligations are fulfilled. Some of our customer contracts allow the recovery of certain costs related to manufacturing services that are over and above the prices charged for the related products. Also, certain customer contracts may contain certain commitments and obligations that may result in additional expenses or decrease in revenue. Refer to note 3 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further details.

Customer Credit Risk

We have an established customer credit policy through which we manage customer credit exposures through credit evaluations, credit limit setting, monitoring, and enforcement of credit limits for new and existing customers. We perform ongoing credit evaluations of our customers' financial condition and make provisions for doubtful accounts based on the outcome of those credit evaluations. We evaluate the collectability of accounts receivable based on specific customer circumstances, current economic trends, historical experience with collections and the age of past due receivables. To the extent we identify exposures as a result of customer credit issues, we also review other customer related exposures, including but not limited to inventory and related contractual obligations.

On April 21, 2016, SunEdison, Inc. (together with certain of its subsidiaries, "SunEdison"), filed a petition for reorganization under bankruptcy law. During the fiscal year ended March 31, 2016, we recognized a bad debt reserve charge of $61 million associated with our outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90 million. During the second quarter of fiscal year 2017, prices for solar panel modules declined significantly. We determined that certain solar panel inventory previously designated for SunEdison on hand at the end of the second quarter of fiscal year 2017 was not fully recoverable and recorded a charge of $60 million to reduce the carrying costs to market during fiscal year 2017. In addition, we recognized a $16 million impairment charge for solar module equipment and incurred $17 million of incremental costs primarily related to negative margin sales and other associated solar panel direct costs. The total charge of $93 million is included in cost of sales for fiscal year 2017.

Restructuring Charges

We recognize restructuring charges related to our plans to close or consolidate excess manufacturing facilities and rationalize administrative functions and to realign our corporate cost structure. In connection with these activities, we recognize restructuring charges for employee termination costs, long-lived asset impairment and other exit-related costs.

The recognition of these restructuring charges requires that we make certain judgments and estimates regarding the nature, timing and amount of costs associated with the planned restructuring activity. To the extent our actual results differ from our estimates and assumptions, we may be required to revise the estimates of future liabilities, requiring the recognition of additional restructuring charges or the reduction of liabilities already recognized. Such changes to previously estimated amounts may be material to the consolidated financial statements. At the end of each reporting period, we evaluate the remaining accrued balances to ensure that no excess accruals are retained and the utilization of the provisions are for their intended purpose in accordance with developed exit plans.

Refer to note 15 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data” for further discussion of our restructuring activities.

Inventory Valuation

Our inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value. Our industry is characterized by rapid technological change, short-term customer commitments and rapid changes in demand. We purchase our inventory based on forecasted demand, and we estimate write downs for excess and obsolete inventory based on our regular reviews of inventory quantities on hand, and the latest forecasts of product demand and production requirements from our customers. If actual market conditions or our customers’ product demands are less favorable than those projected, additional write downs may be required. In addition, unanticipated changes in the liquidity or financial position of our customers and/or changes in economic conditions may require additional write downs for inventories due to our customers’ inability to fulfill their contractual obligations with regards to inventory procured to fulfill customer demand.

Valuation of Private Company Investments

We assess our cost method investments for impairment whenever events or changes in circumstances indicate that the assets may be impaired. The factors we consider in our evaluation of potential impairment of our cost method investments, include, but are not limited to a significant deterioration in the earnings performance or business prospects of the investee, or factors that raise significant concerns about the investee’s ability to continue as a going concern, such as negative cash flows from operation or working capital deficiencies. The carrying value of certain of our investments are individually material, thus there is the potential for material charges in future periods if we determine that those investments are impaired.

Carrying Value of Long-Lived Assets

We review property and equipment and acquired amortizable intangible assets for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized when the carrying amount of these long-lived assets exceeds their fair value. Recoverability of property and equipment and acquired amortizable intangible assets are measured by comparing their carrying amount to the projected cash flows the assets are expected to generate. If such assets are determined to be impaired, the impairment loss recognized, if any, is the amount by which the carrying amount of the property and equipment and acquired amortizable intangible assets exceeds fair value. Our judgments regarding projected cash flows for an extended period of time and the fair value of assets may be impacted by changes in market conditions, general business environment and other factors. To the extent our estimates relating to cash flows and fair value of assets change adversely we may have to recognize additional impairment charges in the future.

Goodwill is tested for impairment on an annual basis and whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit, which is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. The Company performed its goodwill impairment assessment on January 1, 2018 and determined that no impairment existed as of the date of the impairment test because the fair value of each reporting unit exceeded its carrying value.

Contingent Liabilities

We may be exposed to certain liabilities relating to our business operations, acquisitions of businesses and assets and other activities. We make provisions for such liabilities when it is probable that the settlement of the liability will result in an outflow of economic resources or the impairment of an asset. We make these assessments based on facts and circumstances that may change in the future resulting in additional expenses.

Refer to note 13 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our contingent liabilities.

Income Taxes

Our deferred income tax assets represent temporary differences between the carrying amount and the tax basis of existing assets and liabilities, which will result in deductible amounts in future years, including net operating loss carry forwards. Based on estimates, the carrying value of our net deferred tax assets assumes that it is more likely than not that we will be able to generate sufficient future taxable income in certain tax jurisdictions to realize these deferred income tax assets. Our judgments regarding future profitability may change due to future market conditions, changes in U.S. or international tax laws and other factors. If these estimates and related assumptions change in the future, we may be required to increase or decrease our valuation allowance against deferred tax assets previously recognized, resulting in additional or lesser income tax expense.

We are regularly subject to tax return audits and examinations by various taxing jurisdictions and around the world, and there can be no assurance that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examination, there could be a material adverse effect on our tax position, operating results, financial position and cash flows. Refer to note 14 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our tax position.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain statements of operations data expressed as a percentage of net sales. The financial information and the discussion below should be read in conjunction with the consolidated financial statements and notes thereto included in Item 8, "Financial Statements and Supplementary Data." The data below, and discussion that follows, represents our results from operations.

	Fiscal Year Ended March 31,		
	2018	2017	2016
Net sales	100.0%	100.0%	100.0%
Cost of sales	93.5	93.5	93.4
Restructuring charges	0.3	0.2	—
Gross profit	6.2	6.3	6.6
Selling, general and administrative expenses	4.0	3.9	3.9
Intangible amortization	0.3	0.3	0.3
Restructuring charges	0.1	—	—
Other charges (income), net	(0.7)	0.1	0.2
Interest and other, net	0.5	0.4	0.3
Income before income taxes	2.0	1.6	1.9
Provision for income taxes	0.4	0.2	—
Net Income	1.6%	1.4%	1.9%

Net sales

Net sales during fiscal year 2018 totaled $25.4 billion, representing an increase of $1.5 billion, or 7%, from $23.9 billion during fiscal year 2017. The overall increase in sales was driven by increases in three of our segments offset by a decline in sales in our CEC segment. During fiscal year 2018, the increase in net sales was primarily driven by an increase of $1.3 billion in the Americas and to a lesser extent, $0.2 billion in Asia with Europe remaining relatively consistent in fiscal year 2017.

Net sales during fiscal year 2017 totaled $23.9 billion, representing a decrease of $0.5 billion, or 2%, from $24.4 billion during fiscal year 2016. During fiscal year 2017, net sales decreased $0.8 billion in Asia, while increasing $0.2 billion in the Americas, and $36 million in Europe.

The following table sets forth net sales by segments and their relative percentages. Historical information has been recast to reflect realignment of customers and/or products between segments:

	Fiscal Year Ended March 31,					
Segments:	2018		2017		2016	
			(In millions)			
Communications & Enterprise Compute	$ 7,729	30%	$ 8,384	35%	$ 8,842	36%
Consumer Technologies Group	6,970	27%	6,362	27%	6,997	29%
Industrial & Emerging Industries	5,972	24%	4,968	21%	4,681	19%
High Reliability Solutions	4,769	19%	4,149	17%	3,899	16%
	$25,441		$23,863		$24,419	

Net sales during fiscal year 2018 increased $1.0 billion or 20% in our IEI segment, which was mainly driven by our industrial, home and lifestyle businesses in addition to growth in our solar energy business. Our CTG segment increased $0.6 billion or 10% largely attributable to stronger sale in our connected living and mobile devices businesses, offset by a decrease in gaming. Our HRS segment increased $0.6 billion or 15% from higher sales in our automotive business. These increases were partially offset by a decrease of $0.7 billion or 8% in our CEC segment, largely attributable to lower sales within our telecom and networking businesses, offset by increased sales in our cloud and data center business.

Net sales during fiscal year 2017 decreased $0.6 billion or 9% in the CTG segment and $0.5 billion or 5% in the CEC segment. The decline in sales for CTG was primarily due to a decline in demand from our largest smartphone customer, Lenovo/Motorola, in connection with our exit of a China operation dedicated to this customer, partially offset by revenues from our Bose acquisition, as well as ramping of a broad mix of customers. The decrease in CEC is largely attributable to lower sales within our legacy server and storage business. These decreases were partially offset by a $287 million or 6% increase in sales from our IEI segment driven by contribution from our NEXTracker Inc. ("NEXTracker") acquisition and expansion within our capital equipment business, and by a $250 million or 6% increase in sales from our HRS segment primarily driven by our automotive business.

Our ten largest customers during fiscal years 2018, 2017 and 2016 accounted for approximately 41%, 43% and 46% of net sales, respectively. We have made substantial efforts toward the diversification of our portfolio which allows us to operate at scale in many different industries, and, as a result, no customer accounted for greater than 10% of net sales in fiscal year 2018 and 2017. During fiscal year 2016, only Lenovo/Motorola, which is reflected in our CTG segment, accounted for greater than 10% of net sales.

Gross profit

Gross profit is affected by a number of factors, including the number, size and complexity of new manufacturing programs, product mix, component costs and availability, product life cycles, unit volumes, pricing, competition, new product introductions, capacity utilization, and the expansion and consolidation of manufacturing facilities including specific restructuring activities from time to time. The flexible design of our manufacturing processes allows us to build a broad range of products in our facilities and better utilize our manufacturing capacity across our diverse geographic footprint. In the cases of new programs, profitability normally lags revenue growth due to product start-up costs, lower manufacturing program volumes in the start-up phase, operational inefficiencies, and under-absorbed overhead. Gross margin for these programs often improves over time as manufacturing volumes increase, as our utilization rates and overhead absorption improve, and as we increase the level of manufacturing services content. As a result of these various factors, our gross margin varies from period to period.

Gross profit during fiscal year 2018 increased $75 million to $1.6 billion from $1.5 billion during fiscal year 2017, primarily as a result of the increase in revenue offset by $67 million, or 30 basis points, of restructuring charges incurred during fiscal year 2018. Gross margin decreased 10 basis points, to 6.2% of net sales in fiscal year 2018, from 6.3% of net sales in fiscal year 2017, mainly attributable to the same factors previously described, coupled with elevated levels of investments in ramping new operations for our strategic footwear customer.

Gross profit during fiscal year 2017 decreased $87 million to $1.5 billion from $1.6 billion during fiscal year 2016, primarily as a result of the $93 million, or 40 basis points, of charges recognized related to the significant decline in prices for solar modules and the slowdown in demand as previously discussed under our customer credit risk section, coupled with the restructuring charges incurred during fiscal year 2017, to accelerate our ability to support more *Sketch-to-Scale*™ efforts across the Company. A portion of this decrease was offset by our strategic evolution and structural mix shift to higher margin end markets in our IEI and HRS segments, while also providing greater levels of innovation, design and engineering services. Gross margin decreased 30 basis points to 6.3% of net sales in fiscal year 2017, from 6.6% of net sales in fiscal year 2016, mainly attributable to the same factors previously described. In addition, we have been ramping several new programs this year along with the continued development of our long-term strategic partnership with a CTG customer which has negatively impacted our margins due to elevated investment costs and under-absorbed overhead.

Segment income

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales, less cost of sales and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, distressed customer charges, contingencies and other, restructuring charges, other charges (income), net and interest and other, net. A portion of depreciation is allocated to the respective segment together with other general corporate research and development and administrative expenses.

The following table sets forth segment income and margins:

	Fiscal Year Ended March 31,					
	2018		2017		2016	
			(In millions)			
Segment income & margin:						
Communications & Enterprise Compute	$ 186	2.4%	$ 229	2.7%	$265	3.0%
Consumer Technologies Group	112	1.6%	180	2.8%	164	2.3%
Industrial & Emerging Industries	235	3.9%	180	3.6%	157	3.4%
High Reliability Solutions	381	8.0%	334	8.1%	295	7.6%
Corporate and Other	(128)		(108)		(89)	
Total segment income	786	3.1%	815	3.4%	792	3.2%
Reconciling items:						
Intangible amortization	79		81		66	
Stock-based compensation	85		82		77	
Distressed customers asset impairments(1)	6		93		61	
Restructuring charges(2)	91		49		—	
Contingencies and other(3)	51		18		—	
Other charges (income), net	(170)		21		48	
Interest and other, net	123		100		85	
Income before income taxes	$ 521		$ 371		$455	

Corporate and other primarily includes corporate services costs that are not included in the CODM's assessment of the performance of each of the identified reporting segments.

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(1) During fiscal year 2016, we accepted return of previously shipped inventory from a former customer, SunEdison, Inc. ("SunEdison"), of approximately $90 million. On April 21, 2016, SunEdison filed a petition for reorganization under bankruptcy law, and as a result, we recognized a bad debt reserve of $61 million as of March 31, 2016, associated with our outstanding SunEdison receivables.

During fiscal year 2017, prices for solar panel modules declined significantly. We determined that certain solar panel inventory on hand at the end of the fiscal year 2017 was not fully recoverable and recorded a charge of $60 million to reduce the carrying costs to market in fiscal year 2017. We also recognized a $16 million impairment charge for solar module equipment and $17 million primarily related to negative margin sales and other associated direct costs. The total charge of $93 million is included in cost of sales for fiscal year 2017 but is excluded from segment results above.

(2) The Company initiated restructuring plans in fiscal years 2018 and 2017 and incurred charges primarily for employee terminations costs, as well as other asset impairments. These charges are split between cost of sales and selling, general and administration expenses on the Company's consolidated statement of operations, and are excluded from the measurement of the Company's operating segment's performance. Refer to note 15 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".

(3) During fiscal year 2018, we incurred charges in connection with the matters described in note 13 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data," for certain loss contingencies where we believe that losses are probable and estimable, coupled with various other charges predominately related to damages incurred from a typhoon that impacted one of our China facilities. Additionally, certain assets impairments were recorded during both fiscal years 2018 and 2017.

CEC segment margin decreased 30 basis points to 2.4% for fiscal year 2018, from 2.7% during fiscal year 2017. The decrease was driven by lower revenues which negatively impacted profitability with under-absorbed overhead and higher investment costs. CEC segment margin decreased 30 basis points to 2.7%, for fiscal year 2017, from 3.0% during fiscal year 2016. The decrease was driven by lower capacity utilization causing reduced overhead absorption, and pricing pressures coupled with incremental costs for proactive repositioning of certain programs and actions to better align CEC's operating structure.

CTG segment margin decreased 120 basis points to 1.6% for fiscal year 2018, from 2.8% during fiscal year 2017, primarily driven by negatively impacted profits due to a lower contribution, and continued losses from our strategic partnership with a certain customer. CTG segment margin increased 50 basis points to 2.8% for fiscal year 2017, from 2.3% during fiscal year 2016, primarily driven by a portfolio shift within the CTG product mix with a greater concentration of higher margin products where we provide greater levels of design and engineering value-added content, as well as exiting of lower margin businesses and the benefit from a better-than-expected execution on certain products which were going end of life.

IEI segment margin increased 30 basis points to 3.9% for fiscal year 2018, from 3.6% during fiscal year 2017. The improvement reflected strong revenue expansion which has been led by several new customer programs and an improving overall demand across its diverse market that has contributed to overhead absorption benefits. IEI segment margin increased 20 basis points to 3.6% for fiscal year 2017, from 3.4% during fiscal year 2016. This is primarily driven by new program ramps and demand increase in capital equipment and our household, industrial and lifestyle businesses, partially offset by underperformance from the loss of SunEdison, which was formerly our largest IEI customer and relatedly, from sales of solar panel inventory acquired from SunEdison in 2016.

HRS segment margin decreased 10 basis point to 8.0% for fiscal year 2018, from 8.1% during fiscal year 2017. The slight decrease reflects investments in expanding the segment's design and engineering capabilities, coupled with ramping up new customers and programs. HRS segment margin increased 50 basis points to 8.1% for fiscal year 2017, from 7.6% during fiscal year 2016. The improvements are primarily the result of new program launches and richer mix with greater value-added business engagements as a result of greater design and engineering solutions as part of our *Sketch-to-Scale*™ offering.

Restructuring charges

During fiscal year 2018, we initiated targeted restructuring activities, focused on optimizing our cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions. The objective of the plan is to make Flex a faster, more responsive and agile company, better positioned to react to marketplace opportunities. We recognized $79 million of pre-tax cash charges, predominantly related to employee severance costs, and $12 million of pre-tax non-cash charges for asset impairment and other exit charges. The restructuring charges by geographic region were $64 million in the Americas, $17 million in Asia and $10 million in Europe. We classified $67 million of these charges as a component of cost of sales and $24 million as a component of selling, general and administrative expenses during fiscal year 2018.

During fiscal year 2017, we initiated a restructuring plan to accelerate our ability to support more *Sketch-to-Scale*™ efforts across the Company and reposition away from historical legacy programs and structures through rationalizing our current footprint at existing sites including certain corporate SG&A functions. We recognized $49 million of pre-tax restructuring charges predominantly for employee termination costs. The restructuring charges by geographic region were $28 million in the Americas, $15 million in Asia and $6 million in Europe. We classified $39 million of these charges as a component of cost of sales and $10 million as a component of selling, general and administrative expenses. There were no material restructuring activities during fiscal years 2016.

Refer to note 15 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our restructuring activities.

Selling, general and administrative expenses

Selling, general and administrative expenses ("SG&A") totaled $1.0 billion or 4.0% of net sales, during fiscal year 2018, compared to $937 million, or 3.9% of net sales, during fiscal year 2017, increasing by $82 million or 9%. This increase in SG&A was due to incremental costs associated with our continued expansion of our design and engineering resources and innovation system but also, due to the recognition of certain contingencies that are probable and estimable of payout. Refer to note 13 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of litigation and other legal matters, which could impact our results of operations, cash flow or financial condition in future periods. We also incurred incremental costs from our acquisitions in fiscal year 2018.

SG&A totaled $937 million, or 3.9% of net sales, during fiscal year 2017, compared to $955 million, or 3.9% of net sales, during fiscal year 2016, decreasing by $18 million or 2%. The decrease in SG&A in dollars is primarily the result of the nonrecurring $61 million bad debt reserve charge recognized in fiscal year 2016 as previously explained, offset by further investments in design and engineering resources by us to support our increased *Sketch-to-Scale*tm initiatives in fiscal year 2017. We also incurred incremental costs associated with our targeted acquisitions in fiscal year 2017.

Intangible amortization

Amortization of intangible assets in fiscal year 2018 decreased by $2 million to $79 million from $81 million in fiscal year 2017, primarily as a result of certain intangible assets being fully amortized during fiscal year 2018.

Amortization of intangible assets in fiscal year 2017 increased by $15 million to $81 million from $66 million in fiscal year 2016, primarily as a result of incremental amortization expense on intangibles assets relating to our acquisitions completed during fiscal year 2017, as well as those completed in the second half of fiscal year 2016.

Other charges (income), net

During fiscal year 2018, we recognized $152 million of gain from the deconsolidation of Elementum, and $39 million of gain from the sale of Wink. Refer to note 6 and note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for details of the deconsolidation of Elementum and the disposition of Wink, respectively. We also recorded $22 million related to the impairment of certain non-core investments during fiscal year 2018. No other components of other charges and income, net incurred during fiscal year 2018 were material.

The fiscal year ended March 31, 2017 includes a $7 million loss attributable to a non-strategic facility sold during the second quarter of fiscal year 2017. No other components of other charges and income, net incurred during fiscal year 2017 were material.

During fiscal year 2016, we recognized other charges of $48 million primarily due to a $27 million loss on the disposition of a non-strategic Western European manufacturing facility which included a non-cash foreign currency translation loss of $25 million, and $22 million from the impairment of a non-core investment.

Interest and other, net

Interest and other, net was $123 million during fiscal year 2018, compared to $100 million during fiscal year 2017. The increase in interest and other, net of $23 million was primarily due to a $15 million increase of interest expense from higher weighted average interest rates and a higher borrowing level.

Interest and other, net was $100 million during fiscal year 2017, compared to $85 million during fiscal year 2016. The increase in interest and other, net of $15 million was primarily due to a $10 million increase of interest expense from the 4.750% Notes due June 15, 2025 and the Term Loan due November 2021, as further discussed in note 8 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data", and an $8 million decrease in foreign exchange gains, offset by $8 million of acquisition-related costs incurred during fiscal year 2016.

Income taxes

The Company works to ensure it accrues and pays the appropriate amount of income taxes according to the laws and regulations of each jurisdiction in which it operates. Certain of our subsidiaries have, at various times, been granted tax relief in their respective countries, resulting in lower income taxes than would otherwise be the case under ordinary tax rates. The consolidated effective tax rates were 17.7%, 13.8% and 2.3% for the fiscal years 2018, 2017 and 2016, respectively. The effective rate varies from the Singapore statutory rate of 17.0% in each year as a result of the following items:

	Fiscal Year Ended March 31,		
	2018	2017	2016
Income taxes based on domestic statutory rates	17.0%	17.0%	17.0%
Effect of tax rate differential	(46.9)	(23.0)	(13.7)
Change in liability for uncertain tax positions	4.3	0.2	(3.0)
Change in valuation allowance	57.1	21.2	0.2
Recognition of prior year taxes recoverable	(10.3)	—	—
Other	(3.5)	(1.6)	1.8
Provision for income taxes	17.7%	13.8%	2.3%

The variation in our effective tax rate each year is primarily a result of recognition of earnings in foreign jurisdictions which are taxed at rates lower than the Singapore statutory rate including the effect of tax holidays and tax incentives we received primarily for our subsidiaries in China, Malaysia, Costa Rica, Netherlands and Israel of $22 million, $16 million and $7 million in fiscal years 2018, 2017 and 2016, respectively. Additionally, our effective tax rate is impacted by changes in our liabilities for uncertain tax positions of $22 million, $1 million, and ($14) million and changes in our valuation allowances on deferred tax assets of $297 million, $79 million and $1 million in fiscal years 2018, 2017 and 2016, respectively. We generate most of our revenues and profits from operations outside of Singapore.

We are regularly subject to tax return audits and examinations by various taxing jurisdictions and around the world, and there can be no assurance that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examinations, there could be a material adverse effect on our tax position, operating results, financial position and cash flows.

We provide a valuation allowance against deferred tax assets that in our estimation are not more likely than not to be realized. During fiscal year 2018, we released valuation allowances totaling $1 million primarily related to our operations in Taiwan, Mexico and Ireland as these amounts were deemed to be more likely than not to be realized due to the sustained profitability during the past three fiscal years as well as continued forecasted profitability of those subsidiaries. However, these valuation allowance eliminations were offset primarily by current period valuation allowance additions due to increased deferred tax assets as a result of current period losses in legal entities with existing full valuation allowance positions. In addition, due to increased negative evidence during the fiscal year ended March 31, 2018, the Company added a valuation allowance of $365 million for a Brazilian subsidiary which did not previously have a valuation allowance recorded. Lastly, the Company released $705 million of valuation allowance to account for the reduced deferred tax asset as a result of the lower US corporate income tax rate which became effective January 1, 2018.

During fiscal year 2018, the Company recognized an income tax receivable of $54 million for prior period taxes paid by one of its Brazilian subsidiaries which was deemed recoverable during the period.

Impact of the U.S. Tax Reform

On December 22, 2017, the U.S. President signed the Tax Cuts and Jobs Act (the "Act") into law. Effective January 1, 2018, among other changes, the Act reduces the U.S. federal corporate tax rate to 21 percent, provides for a deemed repatriation and taxation at reduced rates of certain non-US subsidiaries owned by U.S. companies' historical earnings (a "transition tax"), and establishes new mechanisms to tax such earnings going forward. Similar to other large multinational companies with complex tax structures, the Act has wide ranging implications for Flex. However, the impact on Flex's financial statements for the twelve-month periods ended March 31, 2018 is immaterial, primarily because the Company has a full valuation allowance on deferred tax assets in the U.S., which results in there being no U.S. deferred tax assets or liabilities recorded on the balance sheet that need to be remeasured at the new 21% rate. Further, the Company expects that the new transition tax will be offset by foreign tax credits or net operating loss carryforwards, and thus will not result in any incremental taxes payable. The Company will continue to analyze the effects of the Act on its financial statements and operations. Any additional impacts from the enactment of the Act will be recorded as they are identified during the measurement period provided for in Staff Bulletin 118.

See note 14, "Income Taxes," to the consolidated financial statements included in Item 8, "Financial Statements and Supplementary Data" for further discussion.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2018, we had cash and cash equivalents of $1.5 billion and bank and other borrowings of $2.9 billion. We have a $1.75 billion revolving credit facility that is due to mature in June 2022, under which we had no borrowings outstanding as of March 31, 2018.

Our cash balances are held in numerous locations throughout the world. As of March 31, 2018, over half of our cash and cash equivalents were held by foreign subsidiaries outside of Singapore. Although substantially all of the amounts held outside of Singapore could be repatriated, under current laws, a significant amount could be subject to income tax withholdings. We provide for tax liabilities on these amounts for financial statement purposes, except for certain of our foreign earnings that are considered indefinitely reinvested outside of Singapore (approximately $1.6 billion as of March 31, 2018). Repatriation could result in an additional income tax payment; however, our intent is to permanently reinvest these funds outside of Singapore and our current plans do not demonstrate a need to repatriate them to fund our operations in jurisdictions outside of where they are held. Where local restrictions prevent an efficient intercompany transfer of funds, our intent is that cash balances would remain outside of Singapore and we would meet our liquidity needs through ongoing cash flows, external borrowings, or both.

Fiscal Year 2018

Cash provided by operating activities was $0.8 billion during fiscal year 2018. This resulted primarily from $429 million of net income for the period plus $478 million of non-cash charges such as depreciation, amortization and stock-based compensation, net of a gain from the deconsolidation of Elementum that are included in the determination of net income. Depreciation expense was $434 million of those non-cash charges which is relatively consistent with our normal annual run rate. These were partially offset by a net change in our operating assets and liabilities of $153 million, driven primarily by a $354 million increase in inventories, a $88 million increase in other current and noncurrent assets, and a $347 million increase in accounts receivable, including the change in sales of accounts receivable, offset by a $623 million increase in accounts payable and a $13 million increase in other current and noncurrent liabilities. Net working capital ("NWC"), defined as net accounts receivable, including deferred purchase price receivables, plus inventory less accounts payable decreased by $30 million.

Cash used in investing activities totaled $0.9 billion during fiscal year 2018. This resulted primarily from $214 million paid for the acquisition of AGM Automotive ("AGM") for our HRS segment, net of cash acquired, and $55 million paid for a power module business for our CEC segment, net of cash acquired. Further, we invested $517 million of net capital expenditures for property and equipment to expand capabilities and capacity in support of our automotive, medical, footwear and IEI businesses. In addition, other investing activities includes $73 million of cash of Elementum derecognized as of the date of deconsolidation, and $46 million of payments for non-core investments, net of cash received.

Cash used in financing activities was $188 million during fiscal year 2018. This was primarily the result of repurchases of ordinary shares in the amount of $180 million, and the repayment of $55 million of debt, partially offset by $65 million received from third party investors in fiscal year 2018 in exchange for an additional noncontrolling equity interest in Elementum prior to the deconsolidation described above.

Fiscal Year 2017

Cash provided by operating activities was $1.1 billion during fiscal year 2017. This resulted primarily from $320 million of net income for the period plus $674 million of non-cash charges such as depreciation, amortization, other impairment charges, provision for doubtful accounts and stock-based compensation expense that are included in the determination of net income. Depreciation expense was $432 million of those non-cash charges, which was relatively consistent with our normal annual run rate. We generated $157 million in cash as a result of changes in our operating assets and liabilities, driven primarily by a $268 million increase in accounts payable, offset by a $184 million increase in accounts receivable, including the change in sales of accounts receivable.

Cash used in investing activities was $0.7 billion during fiscal year 2017. This resulted primarily from $490 million of net capital expenditures for property and equipment to expand capability and capacity in support of our automotive and medical businesses and further investments in both automation and expanding technologies to support our innovation services. We also paid $189 million for the acquisition of four businesses, net of cash acquired, including $162 million, net of $18 million of cash acquired related to the acquisition of manufacturing facilities from Bose. Further, $60 million was paid for a non-controlling interest in a joint venture with RIB Software AG as our partner. Offsetting this was proceeds from various other investing activities of $64 million, most notably the receipt of $38 million for the sale of two non-strategic businesses.

Cash used in financing activities was $242 million during fiscal year 2017. This was primarily the result of repurchases of ordinary shares in the amount $350 million, and $31 million of cash paid to a third-party banking institution for certain assets that were financed by the third party banking institution on behalf of a customer, which is included in other financing activities, as further discussed in note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data". These cash outflows were partially offset by $171 million of net proceeds from bank borrowings and long-term debt, of which $130 million is the incremental amount borrowed extending the maturity date of one of our loan agreements from August 30, 2018 to November 30, 2021, and $107 million is the amount of proceeds from the €100 million term loan, discussed further in note 8 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".

Fiscal Year 2016

Cash provided by operating activities was $1.1 billion during fiscal year 2016. This resulted primarily from $444 million of net income for the period plus $625 million of non-cash charges such as depreciation, amortization, other impairment charges, provision for doubtful accounts and stock-based compensation expense that are included in the determination of net income. Depreciation expense was $426 million of those non-cash charges, which was relatively consistent with our normal annual run rate. We generated $67 million in cash as a result of changes in our operating assets and liabilities, driven primarily by a $424 million reduction in accounts receivable, including the change in sales of accounts receivable, due to improved collection efforts and lower business levels, offset by a $365 million reduction in accounts payable.

Cash used in investing activities was $1.4 billion during fiscal year 2016. This resulted primarily from $917 million for the acquisition of eleven businesses completed during fiscal year 2016, including approximately $555 million, net of cash acquired, related to the acquisition of MCi, $241 million, net of cash acquired, related to the acquisition of NEXTracker, and approximately $68 million to acquire an optical transport facility from Alcatel-Lucent. We also paid $511 million in gross capital expenditures for property and equipment to support certain programs, offset by $14 million of proceeds from the sale of certain buildings and machinery and equipment. Other investing activities also includes $45 million paid for the purchase of certain investments, offset by $54 million of proceeds from the sale of certain assets that were purchased on behalf of a customer and financed by a third party banking institution included in other investing activities.

Cash provided by financing activities was $250 million during fiscal year 2016, which was primarily the result of net proceeds from bank borrowings and long-term debt of $695 million mainly resulting from our new debt issuance discussed further in note 8 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data", and $61 million from the issuance of our shares for option exercises. These cash inflows were partially offset by $420 million of cash paid for the repurchase of our ordinary shares, and $75.8 million of cash paid to a third party banking institution for certain assets that were financed by the third party banking institution on behalf of a customer, which is included in other financing activities.

Free Cash Flow

We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repurchase company shares, fund acquisitions, make investments, repay debt obligations, and for certain other activities. Our free cash flow, which is calculated as cash provided by operations less net purchases of property and equipment, was $236 million, $660 million and $639 million for fiscal years 2018, 2017 and 2016, respectively.

Free cash flow is not a measure of liquidity under generally accepted accounting principles in the United States, and may not be defined and calculated by other companies in the same manner. Free cash flow should not be considered in isolation or as an alternative to net cash provided by operating activities. Free cash flows reconcile to the most directly comparable GAAP financial measure of cash flows from operations as follows:

	Fiscal Year Ended March 31,		
	2018	2017	2016
		(In millions)	
Net cash provided by operating activities	$ 754	$1,150	$1,136
Purchases of property and equipment	(562)	(525)	(511)
Proceeds from the disposition of property and equipment	44	36	14
Free cash flow	$ 236	$ 660	$ 639

Liquidity is affected by many factors, some of which are based on normal ongoing operations of the business and some of which arise from fluctuations related to global economics and markets. Cash balances are generated and held in many locations throughout the world. Local government regulations may restrict our ability to move cash balances to meet cash needs under certain circumstances; however, any current restrictions are not material. We do not currently expect such regulations and restrictions to impact our ability to pay vendors and conduct operations throughout the global organization. We believe that our existing cash balances, together with anticipated cash flows from operations and borrowings available under our credit facilities, will be sufficient to fund our operations through at least the next twelve months.

Future liquidity needs will depend on fluctuations in levels of inventory, accounts receivable and accounts payable, the timing of capital expenditures for new equipment, the extent to which we utilize operating leases for new facilities and equipment, and the levels of shipments and changes in the volumes of customer orders.

Historically, we have funded operations from cash and cash equivalents generated from operations, proceeds from public offerings of equity and debt securities, bank debt and lease financings. We also sell a designated pool of trade receivables under asset-backed securitization ("ABS") programs and sell certain trade receivables, which are in addition to the trade receivables sold in connection with these securitization agreements. During fiscal years 2018, 2017 and 2016, we received approximately $9.4 billion, $8.6 billion and $7.0 billion, respectively from transfers of receivables under our ABS programs, and $1.5 billion, $1.3 billion and $2.3 billion, respectively from other sales of receivables. As of March 31, 2018 and 2017, the outstanding balance on receivables sold for cash was $1.3 billion and $1.2 billion, for each year respectively, under all our accounts receivable sales programs, which are removed from accounts receivable balances in our consolidated balance sheets.

We anticipate that we will enter into debt and equity financings, sales of accounts receivable and lease transactions to fund acquisitions and anticipated growth.

The sale or issuance of equity or convertible debt securities could result in dilution to current shareholders. Further, we may issue debt securities that have rights and privileges senior to those of holders of ordinary shares, and the terms of this debt could impose restrictions on operations and could increase debt service obligations. This increased indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, potentially affect our credit ratings, and may limit our ability to access additional capital or execute our business strategy. Any downgrades in credit ratings could adversely affect our ability to borrow as a result of more restrictive borrowing terms. We continue to assess our capital structure and evaluate the merits of redeploying available cash to reduce existing debt or repurchase ordinary shares.

Historically we have been successful in refinancing and extending the maturity dates on our term loans and credit facilities. In June 2017, the Company entered into a five-year credit facility consisting of a $1.75 billion revolving credit facility and a $503 million term loan, which is due to mature on June 30, 2022 (the "2022 Credit Facility"). This 2022 Credit Facility replaced the Company's $2.1 billion credit facility, which was due to mature in March 2019. The outstanding principal of the term loan portion of the 2022 Credit Facility is repayable in quarterly installments of approximately $6 million from September 30, 2017 through June 30, 2020 and approximately $13 million from September 30, 2020 through March 31, 2022 with the remainder due upon maturity.

Under our current share repurchase program, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $500 million in accordance with the share purchase mandate approved by our shareholders at the date of the most recent Annual General Meeting which was held on August 15, 2017. During fiscal year 2018, we paid $180 million to repurchase shares (under the current and prior repurchase plans) at an average price of $16.63 per share. As of March 31, 2018, shares in the aggregate amount of $410 million were available to be repurchased under the current plan.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Bank borrowings and long-term debt are as follows:

	As of March 31,	
	2018	2017
	(In millions)	
4.625% Notes due February 2020	$ 500	$ 500
Term Loan, including current portion, due in installments through November 2021	688	700
Term Loan, including current portion, due in installments through June 2022	484	503
5.000% Notes due February 2023	500	500
4.750% Notes due June 2025	596	596
Other	187	170
Debt issuance costs	(14)	(16)
	2,941	2,952
Current portion, net of debt issuance costs	(43)	(62)
Non-current portion	$2,898	$2,891

Refer to the discussion in note 8 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further details of our debt obligations.

We have purchase obligations that arise in the normal course of business, primarily consisting of binding purchase orders for inventory related items and capital expenditures. Additionally, we have leased certain of our property and equipment under capital lease commitments, and certain of our facilities and equipment under operating lease commitments.

Future payments due under our purchase obligations, debt including capital leases and related interest obligations and operating leases are as follows:

	Total	Less Than 1 Year	1 - 3 Years	4 - 5 Years	Greater Than 5 Years
			(In millions)		
Contractual Obligations:					
Purchase obligations	$3,478	$3,478	$ —	$ —	$ —
Long-term debt and capital lease obligations:					
Long-term debt	2,954	44	659	1,652	599
Capital leases	14	5	9	—	—
Interest on long-term debt obligations	544	119	219	142	64
Operating leases, net of subleases	562	119	164	101	178
Restructuring costs	61	61	—	—	—
Total contractual obligations	$7,613	$3,826	$1,051	$1,895	$841

We have excluded $228 million of liabilities for unrecognized tax benefits from the contractual obligations table as we cannot make a reasonably reliable estimate of the periodic settlements with the respective taxing authorities. See note 14, "Income Taxes" to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further details.

Our purchase obligations can fluctuate significantly from period to period and can materially impact our future operating asset and liability balances, and our future working capital requirements. We intend to use our existing cash balances, together with anticipated cash flows from operations to fund our existing and future contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

We sell designated pools of trade receivables to unaffiliated financial institutions under our ABS programs, and in addition to cash, we receive a deferred purchase price receivable for each pool of the receivables sold. Each of these deferred purchase price receivables serves as additional credit support to the financial institutions and is recorded at its estimated fair value. As of March 31, 2018 and 2017, the fair value of our deferred purchase price receivable was approximately $445 million and $507 million, respectively. As of March 31, 2018 and 2017, the outstanding balance on receivables sold for cash was $1.3 billion and $1.2 billion for each period respectively, under all our accounts receivable sales programs, which were removed from accounts receivable balances in our consolidated balance sheets. For further information, see note 11 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data”.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to note 2 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data” for recent accounting pronouncements.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

INTEREST RATE RISK

A portion of our exposure to market risk for changes in interest rates relates to our investment portfolio, which consists of highly liquid investments or bank deposits with maturities of three months or less from original dates of purchase and are classified as cash equivalents on our consolidated balance sheet. We do not use derivative financial instruments in our investment portfolio. We place cash and cash equivalents with various major financial institutions and highly rated money market accounts. Our investment policy has strict guidelines focusing on preservation of capital. The portfolio is comprised of various instruments including term deposits with banks, marketable securities and money market accounts. Our cash is principally invested in the U.S. dollar and China RMB serving as a natural hedge of our RMB denominated costs. As of March 31, 2018, the outstanding amount in the investment portfolio was $0.5 billion, the largest components of which were Brazilian real, China renminbi and Indian rupee denominated money market accounts with an average return of 3.86%. A hypothetical 10% change in interest rates would not be expected to have a material effect on our financial position, results of operations and cash flows over the next fiscal year.

We had variable rate debt outstanding of approximately $1.4 billion as of March 31, 2018. Variable rate debt obligations consisted of borrowings under our term loans. Interest on these obligations is discussed in note 8 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data”.

Our variable rate debt instruments create exposures for us related to interest rate risk. Primarily due to the current low interest rates, a hypothetical 10% change in interest rates would not be expected to have a material effect on our financial position, results of operations and cash flows over the next fiscal year.

As of March 31, 2018, the approximate average fair value of our debt outstanding under our term loan facilities that mature in November 2021 and June 2022, and Notes due February 2020, February 2023 and June 2025 was 102.5% of the face value of the debt obligations based on broker trading prices.

FOREIGN CURRENCY EXCHANGE RISK

We transact business in various foreign countries and are, therefore, subject to risk of foreign currency exchange rate fluctuations. We have established a foreign currency risk management policy to manage this risk. To the extent possible, we manage our foreign currency exposure by evaluating and using non-financial techniques, such as currency of invoice, leading and lagging payments and receivables management. In addition, we may borrow in various foreign currencies and enter into short-term foreign currency derivative contracts, including forward, swap, and option contracts to hedge only those currency exposures associated with certain assets and liabilities, mainly accounts receivable and accounts payable, and cash flows denominated in non-functional currencies.

We endeavor to maintain a partial or fully hedged position for certain transaction exposures. These exposures are primarily, but not limited to, revenues, customer and vendor payments and inter-company balances in currencies other than the functional currency unit of the operating entity. The credit risk of our foreign currency derivative contracts is minimized since all contracts are with large financial institutions and accordingly, fair value adjustments related to the credit risk of the counter-party financial institution were not material. The gains and losses on foreign currency derivative contracts generally offset the losses and gains on the assets, liabilities and transactions hedged. The fair value of currency derivative contracts is reported on the balance sheet. The aggregate notional amount of outstanding contracts as of March 31, 2018 amounted to $7.6 billion and the recorded fair values of the associated assets and liabilities were not material. The majority of these foreign exchange contracts expire in less than three months and all expire within one year. They will settle primarily in the Australian dollar, Brazilian real, British pound, China renminbi, Euro, Hungarian forint, Israeli shekel, Malaysian ringgit, Mexican peso, Singapore dollar, Indian rupee, Swiss franc and U.S. dollar.

Based on our overall currency rate exposures as of March 31, 2018, including the derivative financial instruments intended to hedge the nonfunctional currency-denominated monetary assets, liabilities and cash flows, and other factors a 10% appreciation or depreciation of the U.S. dollar from its cross-functional rates would not be expected, in the aggregate, to have a material effect on our financial position, results of operations and cash flows in the near-term.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Flex Ltd.
Singapore

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Flex Ltd. and subsidiaries (the "Company") as of March 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2018 and the related notes. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Flex Ltd. and subsidiaries as of March 31, 2018 and 2017, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of March 31, 2018, based on the criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated June 14, 2018 expressed an adverse opinion because of material weaknesses.

Basis of Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedure included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
June 14, 2018
We have served as the Company's auditors since 2002.

FLEX LTD.

CONSOLIDATED BALANCE SHEETS

	As of March 31, 2018	As of March 31, 2017
	(In thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,472,424	$ 1,830,675
Accounts receivable, net of allowance for doubtful accounts (Note 2)	2,517,695	2,192,704
Inventories	3,799,829	3,396,462
Other current assets	1,380,466	967,935
Total current assets	9,170,414	8,387,776
Property and equipment, net	2,239,506	2,317,026
Goodwill	1,121,170	984,867
Other intangible assets, net	424,433	362,181
Other assets	760,332	541,513
Total assets	$13,715,855	$12,593,363
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	$ 43,011	$ 61,534
Accounts payable	5,122,303	4,484,908
Accrued payroll	383,332	344,245
Other current liabilities	1,719,418	1,613,940
Total current liabilities	7,268,064	6,504,627
Long-term debt, net of current portion	2,897,631	2,890,609
Other liabilities	531,587	519,851
Commitments and contingencies (Note 13)		
Shareholders' equity		
Flex Ltd. Shareholders' equity		
Ordinary shares, no par value; 578,317,848 and 581,534,129 issued, and 528,078,493 and 531,294,774 outstanding as of March 31, 2018 and 2017, respectively	6,636,747	6,733,539
Treasury stock, at cost; 50,239,355 shares as of March 31, 2018 and 2017, respectively	(388,215)	(388,215)
Accumulated deficit	(3,144,114)	(3,572,648)
Accumulated other comprehensive loss	(85,845)	(128,143)
Total Flex Ltd. shareholders' equity	3,018,573	2,644,533
Noncontrolling interests	—	33,743
Total shareholders' equity	3,018,573	2,678,276
Total liabilities and shareholders' equity	$13,715,855	$12,593,363

The accompanying notes are an integral part of these consolidated financial statements.

FLEX LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended March 31,		
	2018	2017	2016
	(In thousands, except per share amounts)		
Net sales	$25,441,131	$23,862,934	$24,418,885
Cost of sales	23,778,404	22,303,231	22,810,824
Restructuring charges	66,845	38,758	—
Gross profit	1,595,882	1,520,945	1,608,061
Selling, general and administrative expenses	1,019,399	937,339	954,890
Intangible amortization	78,640	81,396	65,965
Restructuring charges	23,846	10,637	—
Other charges (income), net	(169,719)	21,193	47,738
Interest and other, net	122,823	99,532	84,793
Income before income taxes	520,893	370,848	454,675
Provision for income taxes	92,359	51,284	10,594
Net income	$ 428,534	$ 319,564	$ 444,081
Earnings per share:			
Basic	$ 0.81	$ 0.59	$ 0.80
Diluted	$ 0.80	$ 0.59	$ 0.79
Weighted-average shares used in computing per share amounts:			
Basic	529,782	540,503	557,667
Diluted	536,598	546,220	564,869

The accompanying notes are an integral part of these consolidated financial statements.

FLEX LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal Year Ended March 31,		
	2018	2017	2016
		(In thousands)	
Net income	$428,534	$319,564	$444,081
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of zero tax	45,618	(1,324)	17,846
Unrealized gain (loss) on derivative instruments and other, net of zero tax	(3,320)	9,096	26,744
Comprehensive income	$470,832	$327,336	$488,671

The accompanying notes are an integral part of these consolidated financial statements.

FLEX LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares			Accumulated Other Comprehensive Loss					
	Shares Outstanding	Amount	Accumulated Deficit	Unrealized Gain (loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Total Flex Ltd. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
				(In thousands)					
BALANCE AT MARCH 31, 2015	563,323	$6,877,612	$(4,336,293)	$(68,266)	$(112,239)	$(180,505)	$2,360,814	$ 35,436	$2,396,250
Repurchase of Flex Ltd. ordinary shares at cost	(37,314)	(412,819)	—	—	—	—	(412,819)	—	(412,819)
Exercise of stock options	10,244	61,278	—	—	—	—	61,278	486	61,764
Issuance of Flex Ltd. vested shares under share bonus awards	8,570	—	—	—	—	—	—	—	—
Premium on acquired equity plan	—	799	—	—	—	—	799	—	799
Net income	—	—	444,081	—	—	—	444,081	(6,715)	437,366
Stock-based compensation, net of tax	—	72,129	—	—	—	—	72,129	5,451	77,580
Total other comprehensive loss	—	—	—	26,744	17,846	44,590	44,590	—	44,590
BALANCE AT MARCH 31, 2016	544,823	6,598,999	(3,892,212)	(41,522)	(94,393)	(135,915)	2,570,872	34,658	2,605,530
Repurchase of Flex Ltd. ordinary shares at cost	(25,125)	(345,782)	—	—	—	—	(345,782)	—	(345,782)
Exercise of stock options	2,283	12,438	—	—	—	—	12,438	610	13,048
Issuance of Flex Ltd. vested shares under share bonus awards	9,313	—	—	—	—	—	—	—	—
Issuance of subsidiary shares	—	—	—	—	—	—	—	9,306	9,306
Net income	—	—	319,564	—	—	—	319,564	(8,492)	311,072
Stock-based compensation, net of tax	—	79,669	—	—	—	—	79,669	(2,339)	77,330
Total other comprehensive income	—	—	—	9,096	(1,324)	7,772	7,772	—	7,772
BALANCE AT MARCH 31, 2017	531,294	6,345,324	(3,572,648)	(32,426)	(95,717)	(128,143)	2,644,533	33,743	2,678,276
Repurchase of Flex Ltd. ordinary shares at cost	(10,829)	(180,050)	—	—	—	—	(180,050)	—	(180,050)
Exercise of stock options	667	2,774	—	—	—	—	2,774	256	3,030
Issuance of Flex Ltd. vested shares under share bonus awards	6,946	—	—	—	—	—	—	—	—
Issuance of subsidiary shares, net	—	—	—	—	—	—	—	63,363	63,363
Net income	—	—	428,534	—	—	—	428,534	(7,573)	420,961
Stock-based compensation, net of tax	—	80,484	—	—	—	—	80,484	849	81,333
Deconsolidation of subsidiary entity	—	—	—	—	—	—	—	(90,638)	(90,638)
Total other comprehensive income	—	—	—	(3,320)	45,618	42,298	42,298	—	42,298
BALANCE AT MARCH 31, 2018	528,078	$6,248,532	$(3,144,114)	$(35,746)	$ (50,099)	$ (85,845)	$3,018,573	$ —	$3,018,573

The accompanying notes are an integral part of these consolidated financial statements.

FLEX LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended March 31,		
	2018	2017	2016
		(In thousands)	
Cash flows from operating activities:			
Net income	$ 428,534	$ 319,564	$ 444,081
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and other impairment charges	555,364	609,660	515,367
Provision for doubtful accounts (Note 2)	8,225	(184)	72,295
Non-cash other loss (income)	(58,223)	6,858	24,521
Stock-based compensation	81,346	77,330	77,580
Gain from deconsolidation of subsidiary entity (Note 6)	(151,574)	—	—
Income taxes	43,187	(20,041)	(64,346)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(296,910)	(164,239)	317,946
Inventories	(354,319)	85,047	84,790
Other current and noncurrent assets	(138,184)	84,949	(2,704)
Accounts payable	623,148	268,686	(365,051)
Other current and noncurrent liabilities	13,004	(117,721)	31,966
Net cash provided by operating activities	753,598	1,149,909	1,136,445
Cash flows from investing activities:			
Purchases of property and equipment	(561,997)	(525,111)	(510,634)
Proceeds from the disposition of property and equipment	44,780	35,606	13,676
Acquisition of businesses, net of cash acquired	(268,377)	(189,084)	(916,527)
Divestitures of businesses, net of cash held in divested businesses	(2,949)	36,731	5,740
Other investing activities, net	(120,442)	(60,329)	11,369
Net cash used in investing activities	(908,985)	(702,187)	(1,396,376)
Cash flows from financing activities:			
Proceeds from bank borrowings and long-term debt	1,366,000	312,741	884,702
Repayments of bank borrowings and long-term debt	(1,420,977)	(141,730)	(190,221)
Payments for repurchases of ordinary shares	(180,050)	(349,532)	(420,317)
Proceeds from exercise of stock options	2,774	12,438	61,278
Other financing activities, net	44,468	(76,024)	(85,800)
Net cash provided by (used in) financing activities	(187,785)	(242,107)	249,642
Effect of exchange rates on cash	(15,079)	17,490	(10,549)
Net change in cash and cash equivalents	(358,251)	223,105	(20,838)
Cash and cash equivalents, beginning of year	1,830,675	1,607,570	1,628,408
Cash and cash equivalents, end of year	$ 1,472,424	$1,830,675	$ 1,607,570

The accompanying notes are an integral part of these consolidated financial statements.

FLEX LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION OF THE COMPANY

Flex Ltd. ("Flex" or the "Company") was incorporated in the Republic of Singapore in May 1990. The Company's operations have expanded over the years through a combination of organic growth and acquisitions. The Company is a globally-recognized, provider of *Sketch-to-Scale*[tm] services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. The Company designs, builds, ships and services complete packaged consumer and enterprise products, from athletic shoes to electronics, for companies of all sizes in various industries and end-markets, through its activities in the following segments:

- Communications & Enterprise Compute ("CEC"), which includes telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; networking business which includes optical, routing, broadcasting, and switching products for the data and video networks; server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack level solutions, converged infrastructure and software-defined product solutions;
- Consumer Technologies Group ("CTG"), which includes consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion and apparel, and mobile devices; and including various supply chain solutions for notebook personal computers, tablets, and printers;
- Industrial and Emerging Industries ("IEI"), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, electric vehicle infrastructure, smart solar energy, semiconductor and capital equipment, office solutions, industrial, home and lifestyle, industrial automation, and kiosks; and
- High Reliability Solutions ("HRS"), which is comprised of health solutions business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies.

The Company's service offerings include a comprehensive range of value-added design and engineering services that are tailored to the various markets and needs of its customers. Other focused service offerings relate to manufacturing (including enclosures, metals, plastic injection molding, precision plastics, machining, and mechanicals), system integration and assembly and test services, materials procurement, inventory management, logistics and after-sales services (including product repair, warranty services, re-manufacturing and maintenance) and supply chain management software solutions and component product offerings (including rigid and flexible printed circuit boards and power adapters and chargers).

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Flex and its majority-owned subsidiaries, after elimination of intercompany accounts and transactions. Amounts included in these consolidated financial statements are expressed in U.S. dollars unless otherwise designated. The Company consolidates its majority-owned subsidiaries and investments in entities in which the Company has a controlling interest. For the consolidated majority-owned subsidiaries in which the Company owns less than 100%, the Company recognizes a noncontrolling interest for the ownership of the noncontrolling owners. As of March 31, 2018, the noncontrolling interest was not material as a result of the deconsolidation of one of our subsidiaries (refer to note 6 for additional information). In prior years, the noncontrolling interest was included on the consolidated balance sheets as a component of total shareholders' equity. The associated noncontrolling owners' interest in the income or losses of these companies is not material to the Company's results of operations for any period presented, and is classified as a component of interest and other, net, in the consolidated statements of operations.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

The Company has certain non-majority-owned equity investments in non-publicly traded companies that are accounted for using the equity method of accounting. The equity method of accounting is used when the Company has an investment in common stock or in-substance common stock, and either (a) has the ability to significantly influence the operating decisions of the issuer, or (b) if the Company has a voting percentage of a corporation equal to or generally greater than 20% but less than 50%, and for non-majority-owned investments in partnerships when greater than 5%. The equity in earnings (losses) of equity method investees are immaterial for all periods presented, and are included in interest and other, net in the consolidated statements of operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things: allowances for doubtful accounts; inventory write-downs; valuation allowances for deferred tax assets; uncertain tax positions; valuation and useful lives of long-lived assets including property, equipment, intangible assets and goodwill; asset impairments; fair values of financial instruments including investments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; fair values of assets obtained and liabilities assumed in business combinations and the fair values of stock options and share bonus awards granted under the Company's stock-based compensation plans. Actual results may differ from previously estimated amounts, and such differences may be material to the consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur.

Translation of Foreign Currencies

The financial position and results of operations for certain of the Company's subsidiaries are measured using a currency other than the U.S. dollar as their functional currency. Accordingly, all assets and liabilities for these subsidiaries are translated into U.S. dollars at the current exchange rates as of the respective balance sheet dates. Revenue and expense items are translated at the average exchange rates prevailing during the period. Cumulative gains and losses from the translation of these subsidiaries' financial statements are reported as other comprehensive loss, a component of shareholders' equity. Foreign exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved, and re-measurement adjustments for foreign operations where the U.S. dollar is the functional currency, are included in operating results. Non-functional currency transaction gains and losses, and re-measurement adjustments were not material to the Company's consolidated results of operations for any of the periods presented, and have been classified as a component of interest and other, net in the consolidated statements of operations.

Revenue Recognition

The Company recognizes manufacturing revenue when it ships goods or the goods are received by its customer, title and risk of ownership have passed, the price to the buyer is fixed or determinable and recoverability is reasonably assured. Generally, there are no formal substantive customer acceptance requirements or further obligations related to manufacturing services. If such requirements or obligations exist, then the Company recognizes the related revenues at the time when such requirements are completed, and the obligations are fulfilled. Some of the Company's customer contracts allow the recovery of certain costs related to manufacturing services that are over and above the prices charged for the related products. Also, certain customer contracts may contain certain commitments and obligations that may result in additional expenses or decreases in revenue. Refer to note 3 "Revenue Recognition" for further details.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are primarily accounts receivable, cash and cash equivalents, and derivative instruments.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Customer Credit Risk

The Company has an established customer credit policy, through which it manages customer credit exposures through credit evaluations, credit limit setting, monitoring, and enforcement of credit limits for new and existing customers. The Company performs ongoing credit evaluations of its customers' financial condition and makes provisions for doubtful accounts based on the outcome of those credit evaluations. The Company evaluates the collectability of its accounts receivable based on specific customer circumstances, current economic trends, historical experience with collections and the age of past due receivables. To the extent the Company identifies exposures as a result of credit or customer evaluations, the Company also reviews other customer related exposures, including but not limited to inventory and related contractual obligations.

On April 21, 2016, SunEdison, Inc. (together with certain of its subsidiaries, "SunEdison"), filed a petition for reorganization under bankruptcy law. During the fiscal year ended March 31, 2016, the Company recognized a bad debt reserve charge of $61.0 million associated with its outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90.0 million. During the second quarter of fiscal year 2017, prices for solar panel modules declined significantly. The Company determined that certain solar panel inventory previously designated for SunEdison on hand at the end of the second quarter of fiscal year 2017 was not fully recoverable and recorded a charge of $60.0 million to reduce the carrying costs to market during fiscal year 2017. In addition, the Company recognized a $16.0 million impairment charge for solar module equipment and incurred $16.9 million of incremental costs primarily related to negative margin sales and other associated solar panel direct costs. The total charge for fiscal year 2017 of $92.9 million is included in cost of sales.

The following table summarizes the activity in the Company's allowance for doubtful accounts during fiscal years 2018, 2017 and 2016:

	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions/ Write-Offs	Balance at End of Year
		(In thousands)		
Allowance for doubtful accounts:				
Year ended March 31, 2016	$ 4,534	$72,295	$(12,221)	$64,608
Year ended March 31, 2017	$64,608	$ (184)	$ (7,122)	$57,302
Year ended March 31, 2018	$57,302	$ 8,225	$ (5,476)	$60,051

For the fiscal year ended March 31, 2016, the Company recognized a bad debt charge of $61.0 million associated with its outstanding SunEdison receivables as explained above, and another charge of $10.5 million relating to a separate distressed customer which was also written-off during the year.

No customer accounted for greater than 10% of the Company's net sales in fiscal years 2018 and 2017. One customer (including net sales from its parent company) within the Company's CTG segment, accounted for approximately 11% of the Company's net sales in fiscal year 2016, and approximately 17% of the Company's total accounts receivable balances in fiscal years 2018 and 2017, respectively. Another customer included in the Company's CEC segment, accounted for approximately 11% of the Company's total accounts receivable balance in fiscal year 2016.

The Company's ten largest customers accounted for approximately 41%, 43% and 46%, of its net sales in fiscal years 2018, 2017 and 2016, respectively.

Derivative Instruments

The amount subject to credit risk related to derivative instruments is generally limited to the amount, if any, by which a counterparty's obligations exceed the obligations of the Company with that counterparty. To manage counterparty risk, the Company limits its derivative transactions to those with recognized financial institutions. See additional discussion of derivatives in note 9.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Company maintains cash and cash equivalents with various financial institutions that management believes to be of high credit quality. These financial institutions are located in many different locations throughout the world. The Company's investment portfolio, which consists of short-term bank deposits and money market accounts, is classified as cash equivalents on the consolidated balance sheets.

All highly liquid investments with maturities of three months or less from original dates of purchase are carried at cost, which approximates fair market value, and are considered to be cash equivalents. Cash and cash equivalents consist of cash deposited in checking accounts, money market funds and time deposits.

Cash and cash equivalents consisted of the following:

	As of March 31,	
	2018	2017
	(In thousands)	
Cash and bank balances	$1,019,802	$ 763,834
Money market funds and time deposits	452,622	1,066,841
	$1,472,424	$1,830,675

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or net realizable value. The stated cost is comprised of direct materials, labor and overhead. The components of inventories, net of applicable lower of cost or net realizable value write-downs, were as follows:

	As of March 31,	
	2018	2017
	(In thousands)	
Raw materials	$2,760,410	$2,537,623
Work-in-progress	450,569	279,493
Finished goods	588,850	579,346
	$3,799,829	$3,396,462

Property and Equipment, Net

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are recognized on a straight-line basis over the estimated useful lives of the related assets, with the exception of building leasehold improvements, which are amortized over the term of the lease, if shorter. Repairs and maintenance costs are expensed as incurred. Property and equipment was comprised of the following:

	Depreciable Life (In Years)	As of March 31,	
		2018	2017
		(In thousands)	
Machinery and equipment	3 - 10	$ 3,004,707	$ 3,233,392
Buildings	30	1,154,881	1,237,739
Leasehold improvements	up to 30	414,917	395,663
Furniture, fixtures, computer equipment and software	3 - 7	482,248	502,223
Land	—	152,992	145,663
Construction-in-progress	—	287,724	212,326
		5,497,469	5,727,006
Accumulated depreciation and amortization		(3,257,963)	(3,409,980)
Property and equipment, net		$ 2,239,506	$ 2,317,026

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Total depreciation expense associated with property and equipment amounted to approximately $434.4 million, $432.2 million and $425.7 million in fiscal years 2018, 2017 and 2016, respectively. Property and equipment excludes assets held for sale as a result of the Company's agreement with a certain Chinese manufacturing company to sell its China-based Multek operations, as discussed in note 18.

The Company reviews property and equipment for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property and equipment is determined by comparing its carrying amount to the lowest level of identifiable projected undiscounted cash flows the property and equipment are expected to generate. An impairment loss is recognized when the carrying amount of property and equipment exceeds its fair value.

Deferred Income Taxes

The Company provides for income taxes in accordance with the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences between the carrying amount and the tax basis of existing assets and liabilities by applying the applicable statutory tax rate to such differences. Additionally, the Company assesses whether each income tax position is "more likely than not" of being sustained on audit, including resolution of related appeals or litigation, if any. For each income tax position that meets the "more likely than not" recognition threshold, the Company would then assess the largest amount of tax benefit that is greater than 50% likely of being realized upon effective settlement with the tax authority.

Accounting for Business and Asset Acquisitions

The Company has actively pursued business and asset acquisitions, which are accounted for using the acquisition method of accounting. The fair value of the net assets acquired and the results of the acquired businesses are included in the Company's consolidated financial statements from the acquisition dates forward. The Company is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and results of operations during the reporting period. Estimates are used in accounting for, among other things, the fair value of acquired net operating assets, property and equipment, intangible assets and related deferred tax liabilities, useful lives of plant and equipment and amortizable lives for acquired intangible assets. Any excess of the purchase consideration over the fair value of the identified assets and liabilities acquired is recognized as goodwill.

The Company estimates the preliminary fair value of acquired assets and liabilities as of the date of acquisition based on information available at that time. Contingent consideration is recorded at fair value as of the date of the acquisition with subsequent adjustments recorded in earnings. Changes to valuation allowances on acquired deferred tax assets are recognized in the provision for, or benefit from, income taxes. The valuation of these tangible and identifiable intangible assets and liabilities is subject to further management review and may change materially between the preliminary allocation and end of the purchase price allocation period. Any changes in these estimates may have a material effect on the Company's consolidated operating results or financial position.

Goodwill

Goodwill is tested for impairment on an annual basis and whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit, which is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. If the recorded value of the assets, including goodwill, and liabilities ("net book value") of any reporting unit exceeds its fair value, an impairment loss may be required to be recognized. Further, to the extent the net book value of the Company as a whole is greater than its fair value in the aggregate, all, or a significant portion of its goodwill may be considered impaired.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

The Company has four reporting units, which correspond to its four reportable operating segments: HRS, CTG, IEI and CEC. The Company concluded that there was no change to its reporting units in fiscal year 2018 and performed its goodwill impairment assessment on January 1, 2018. The Company bypassed the qualitative "Step Zero" assessment and performed a quantitative assessment of its goodwill and determined that no impairment existed as of the date of the impairment test because the fair value of each reporting unit exceeded its carrying value.

The following table summarizes the activity in the Company's goodwill during fiscal years 2018 and 2017 (in thousands):

	HRS	CTG	IEI	CEC	Total
Balance, as of March 31, 2016	$439,336	$ 68,234	$322,803	$111,693	$ 942,066
Additions(1)	—	42,989	17,544	3,309	63,842
Divestitures(2)	(1,787)	—	(2,640)	—	(4,427)
Purchase accounting adjustments(3)	794	—	—	—	794
Foreign currency translation adjustments(4)	(17,408)	—	—	—	(17,408)
Balance, as of March 31, 2017	420,935	111,223	337,707	115,002	984,867
Additions(1)	75,280	—	—	9,744	85,024
Divestitures(2)	—	(3,475)	—	—	(3,475)
Purchase accounting adjustments(3)	—	—	—	(14)	(14)
Foreign currency translation adjustments(4)	54,768	—	—	—	54,768
Balance, as of March 31, 2018	$550,983	$107,748	$337,707	$124,732	$1,121,170

(1) The goodwill generated from the Company's business combinations completed during the fiscal years 2018 and 2017 are primarily related to value placed on the employee workforce, service offerings and capabilities and expected synergies. The goodwill is not deductible for income tax purposes. Refer to the discussion of the Company's business acquisitions in note 18.

(2) During the fiscal year ended March 31, 2018, the Company disposed of Wink Labs Inc. ("Wink"), a business within the CTG segment, and recorded an aggregate reduction of goodwill of $3.5 million, which is included in the gain on sale recorded in other charges, net on the consolidated statement of operations. During the fiscal year ended March 31, 2017, the Company disposed of two non-strategic businesses within the IEI and HRS segments, and recorded an aggregate reduction of goodwill of $4.4 million, which is included in the loss on sale recorded in other charges, net on the consolidated statement of operations.

(3) Includes adjustments based on management's estimates resulting from its review and finalization of the valuation of assets and liabilities acquired through certain business combinations completed in a period subsequent to the respective acquisition. These adjustments were not individually, nor in the aggregate, significant to the Company.

(4) During the fiscal years ended March 31, 2018 and 2017, the Company recorded $54.8 million and $17.4 million, respectively, of foreign currency translation adjustments primarily related to the goodwill associated with the acquisition of AGM Automotive ("AGM") in fiscal year 2018 and Mirror Controls International ("MCi") in fiscal year 2016, as the U.S. Dollar fluctuated against foreign currencies.

Other Intangible Assets

The Company's acquired intangible assets are subject to amortization over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. An impairment loss is recognized when the carrying amount of an intangible asset exceeds its fair value. The Company reviewed the carrying value of its intangible assets as of March 31, 2018 and concluded that such amounts continued to be recoverable.

Intangible assets are comprised of customer-related intangible assets that include contractual agreements and customer relationships; and licenses and other intangible assets, that are primarily comprised of licenses and also include patents and trademarks, and developed technologies. Generally, both customer-related intangible assets and licenses and other intangible assets are amortized on a straight-line basis, over a period of up to ten years. No residual value is estimated for any intangible assets. The fair value of the Company's intangible assets purchased

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

through business combinations is determined based on management's estimates of cash flow and recoverability. The components of acquired intangible assets are as follows:

	As of March 31, 2018			As of March 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets:						
Customer-related intangibles	$306,943	$ (79,051)	$227,892	$260,704	$(105,912)	$154,792
Licenses and other intangibles	304,007	(107,466)	196,541	283,897	(76,508)	207,389
Total	$610,950	$(186,517)	$424,433	$544,601	$(182,420)	$362,181

The gross carrying amounts of intangible assets are removed when fully amortized. During fiscal year 2018, the gross carrying amounts of fully amortized intangible assets totaled $38.3 million. During fiscal year 2018, the gross carrying amount of intangible assets increased primarily in connection with the Company's acquisitions during the year. Total intangible asset amortization expense recognized in operations during fiscal years 2018, 2017 and 2016 was $78.6 million, $81.4 million and $66.0 million, respectively. As of March 31, 2018, the weighted-average remaining useful lives of the Company's intangible assets were approximately 7.1 years for customer-related intangibles and approximately 6.1 years for licenses and other intangible assets. The estimated future annual amortization expense for acquired intangible assets is as follows:

Fiscal Year Ending March 31,	Amount
	(In thousands)
2019	$ 75,319
2020	68,981
2021	64,440
2022	55,301
2023	46,762
Thereafter	113,630
Total amortization expense	$424,433

We own or license various United States and foreign patents relating to a variety of technologies. For certain of our proprietary processes, inventions, and works of authorship, we rely on trade secret or copyright protection. We also maintain trademark rights (including registrations) for our corporate name and several other trademarks and service marks that we use in our business in the United States and other countries throughout the world. We have implemented appropriate policies and procedures (including both technological means and training programs for our employees) to identify and protect our intellectual property, as well as that of our customers and suppliers. As of March 31, 2018 and 2017, the carrying value of our intellectual property was not material.

Derivative Instruments and Hedging Activities

All derivative instruments are recognized on the consolidated balance sheets at fair value. If the derivative instrument is designated as a cash flow hedge, effectiveness is tested monthly using a regression analysis of the change in spot currency rates and the change in present value of the spot currency rates. The spot currency rates are discounted to present value using functional currency Inter-bank Offering Rates over the maximum length of the hedge period. The effective portion of changes in the fair value of the derivative instrument (excluding time value) is recognized in shareholders' equity as a separate component of accumulated other comprehensive income (loss), and recognized in the consolidated statements of operations when the hedged item affects earnings. Ineffective and excluded portions of changes in the fair value of cash flow hedges are recognized in earnings immediately. If the derivative instrument is designated as a fair value hedge, the changes in the fair value of the derivative instrument and of the hedged item attributable to the hedged risk are recognized in earnings in the current period. Additional information is included in note 9.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Current Assets

Other current assets include approximately $445.4 million and $506.5 million as of March 31, 2018 and 2017, respectively for the deferred purchase price receivable from the Company's Global and North American Asset-Backed Securitization programs. See note 11 for additional information. Further, the Company recorded in other current assets, approximately $321.1 million of assets, primarily property and equipment and accounts receivable, classified as held for sale. See note 18 for additional information.

Investments

During the first quarter of fiscal year 2018, the Company sold Wink to an unrelated third-party venture backed company in exchange for consideration fair valued at $59.0 million. This estimated consideration was based on the value of the acquirer as of the most recent third-party funding of which the Company participated. The Company recognized a non-cash gain on sale of $38.7 million, which is recorded in other charges (income), net on the condensed consolidated statement of operations in the year ended March 31, 2018. As of March 31, 2018, the total investment, including working capital advances, of $76.5 million is accounted for as a cost method investment, and is included in other assets on the consolidated balance sheet.

During the second quarter of fiscal year 2018, the Company deconsolidated one of its majority owned subsidiaries, following the amendments of certain agreements that resulted in joint control of the board of directors between the Company and other non-controlling interest holders. As of March 31, 2018, this subsidiary is accounted for as a cost method investment of approximately $124.6 million and is included in other assets on the consolidated balance sheet. See note 6 for additional information on the deconsolidation.

The Company has certain equity investments in, and notes receivable from, non-publicly traded companies which are included within other assets. The equity method of accounting is used for investments in common stock or in-substance common stock when the Company has the ability to significantly influence the operating decisions of the issuer; otherwise the cost method is used. Non-majority-owned investments in corporations are accounted for using the equity method when the Company has a voting percentage equal to or generally greater than 20% but less than 50%, and for non-majority-owned investments in partnerships when generally greater than 5%. The Company monitors these investments for impairment indicators and makes appropriate reductions in carrying values as required whenever events or changes in circumstances indicate that the assets may be impaired. The factors the Company considers in its evaluation of potential impairment of its investments, include, but are not limited to a significant deterioration in the earnings performance or business prospects of the investee, or factors that raise significant concerns about the investee's ability to continue as a going concern, such as negative cash flows from operation or working capital deficiencies. Fair values of these investments, when required, are estimated using unobservable inputs, primarily comparable company multiples and discounted cash flow projections.

As of March 31, 2018 and 2017, the Company's equity investments in non-majority owned companies totaled $411.1 million and $200.1 million, respectively. The equity in the earnings or losses of the Company's equity method investments was not material to the consolidated results of operations for any period presented and is included in interest and other, net.

During fiscal year 2017, the Company formed a joint venture with RIB Software AG, a provider of technology for the construction industry. This joint venture will offer a fully integrated enterprise software platform for building and housing projects. The Company contributed $60.0 million for a non-controlling interest in this joint venture. This contribution, net of the Company's equity in losses, which is immaterial, is included in other assets on the consolidated balance sheet. The cash outflows to pay for this investment have been included in cash flows from other investing activities during the fiscal year ended March 31, 2017.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Current Liabilities

Other current liabilities include customer working capital advances of $153.6 million and $231.3 million, customer-related accruals of $439.0 million and $501.9 million, and deferred revenue of $329.0 million and $280.7 million as of March 31, 2018 and 2017, respectively. The customer working capital advances are not interest bearing, do not have fixed repayment dates and are generally reduced as the underlying working capital is consumed in production.

Restructuring Charges

The Company recognizes restructuring charges related to its plans to close or consolidate excess manufacturing facilities and rationalize administrative functions. In connection with these activities, the Company records restructuring charges for employee termination costs, long-lived asset impairment and other exit-related costs.

The recognition of restructuring charges requires the Company to make certain judgments and estimates regarding the nature, timing and amount of costs associated with the planned exit activity. To the extent the Company's actual results differ from its estimates and assumptions, the Company may be required to revise the estimates of future liabilities, requiring the recognition of additional restructuring charges or the reduction of liabilities already recognized. Such changes to previously estimated amounts may be material to the consolidated financial statements. At the end of each reporting period, the Company evaluates the remaining accrued balances to ensure that no excess accruals are retained and the utilization of the provisions are for their intended purpose in accordance with developed restructuring plans. See note 15 for additional information regarding restructuring charges.

Recently Adopted Accounting Pronouncements

In July 2015, the Financial Accounting standards Board ("FASB") issued Accounting Standard Updates ("ASU") No. 2015-11 "Inventory (Topic 330): Simplifying the Measurement of Inventory", to simplify the measurement of inventory, by requiring that inventory be measured at the lower of cost and net realizable value. Prior to the issuance of the new guidance, inventory was measured at the lower of cost or market. The Company adopted the guidance, prospectively, effective April 1, 2017 and it did not have a material impact on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16 "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory", intended to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. This guidance is effective for the Company beginning in the first quarter of fiscal year 2019, with early adoption permitted in the first interim period of fiscal year 2018. The Company adopted the guidance, on a modified retrospective basis, effective April 1, 2017 and it did not have a material impact on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-17 "Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control" to amend the consolidation guidance on how a reporting entity that is the single decision maker of a variable interest entity ("VIE") should treat indirect interests in the entity held through related parties that are under common control with the reporting entity when determining whether it is the primary beneficiary of that VIE. This guidance requires that the amendments be applied on a retrospective or modified retrospective basis, and it is effective for the Company beginning in the first quarter of fiscal year 2018, with early adoption permitted. The Company adopted the guidance, retrospectively, effective April 1, 2017 and it did not have a material impact on its consolidated financial statements.

Recently Issued Accounting Pronouncements

In August 2017, the FASB issued ASU 2017-12 "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities" with the objective of improving the financial reporting of hedging relationships and simplifying the application of the hedge accounting guidance in current GAAP. The

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

guidance is effective for the Company beginning in the first quarter of fiscal year 2020 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2020.

In January 2017, the FASB issued ASU 2017-04 “Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment” to simplify the subsequent measurement of goodwill by eliminating step 2 from the goodwill impairment test. This guidance requires that the change be applied on a prospective basis, and it is effective for the Company beginning in the first quarter of fiscal year 2021, with early application permitted. The Company is currently assessing the impact of the new guidance and the timing of adoption.

In January 2017, the FASB issued ASU 2017-01 “Business Combinations (Topic 805): Clarifying the Definition of a Business” to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This guidance is effective for Flex beginning in the first quarter of fiscal year 2019, with early adoption permitted, and it should be applied on a prospective basis starting on date of adoption. The Company plans to adopt the guidance effective the first quarter of fiscal year 2019.

In August 2016, the FASB issued ASU 2016-15 “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force).” The ASU is intended to address specific cash flow issues with the objective of reducing the existing diversity in practice and provide guidance on how certain cash receipts and payments are presented and classified in the statement of cash flows. The majority of the guidance in ASU 2016-15 is consistent with our current cash flow classification. However, cash receipts on the deferred purchase price as described in note 11 will be classified as cash flow from investing activities instead of the Company’s current presentation as cash flows from operations. The Company intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2019 and retrospectively report cash flows from operating and investing activities for all periods presented. While the Company is still quantifying the impact of adoption of this standard, it does expect the standard to result in a material increase in cash flows from investing activities and corresponding reduction in cash flows from operating activities for all periods presented.

In February 2016, the FASB issued ASU 2016-02 “Leases (Topic 842)” intended to improve financial reporting on leasing transactions. The new lease guidance will require entities that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. The guidance will also enhance existing disclosure requirements relating to those leases. The Company intends to adopt the new lease guidance beginning when it becomes effective in the first quarter of fiscal year 2020 using a modified retrospective approach. Upon initial evaluation, the Company believes the new guidance will have a material impact on its consolidated balance sheets when adopted.

In January 2016, the FASB issued ASU 2016-01 “Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.” This guidance generally requires equity investments, except those accounted for under the equity method of accounting or those that result in consolidation of the investee, to be measured at fair value with changes in fair value recognized in net income. This guidance also requires the separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or in the accompanying notes to the financial statements. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017; early adoption is permitted, and the guidance must be applied prospectively to equity investments that exist as of the adoption date. The Company will adopt this guidance on April 1, 2018 when effective. The adoption of this guidance is not expected to have any material impact on the Company’s financial position, results of operations or cash flows.

In May 2014, the FASB issued ASU 2014-09 “Revenue from Contracts with Customers (Topic 606)” which requires an entity to recognize revenue relating to contracts with customers that depicts the transfer of promised

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

goods or services to customers in an amount reflecting the consideration to which the entity expects to be entitled in exchange for such goods or services. In order to meet this requirement, the entity must apply the following steps: (i) identify the contracts with the customers; (ii) identify performance obligations in the contracts; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations per the contracts; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. Additionally, disclosures required for revenue recognition will include qualitative and quantitative information about contracts with customers, significant judgments and changes in judgments, and assets recognized from costs to obtain or fulfill a contract. The guidance is effective for the Company beginning in the first quarter of fiscal year 2019.

The adoption of the new standard will change the timing of revenue recognition for a portion of Flex's business. Under the new standard, revenue for certain of Flex's manufacturing services customer contracts will be recognized earlier than under the current accounting rules (where Flex recognizes revenue based on shipping and delivery).

The new guidance allows for two transition methods in application: retrospective to each prior reporting period presented (full retrospective method), or retrospective with the cumulative effect of initially applying the guidance recognized at the date of initial application (modified retrospective method). The Company will adopt the standard on April 1, 2018 using the modified retrospective approach. Under this approach, prior financial statements presented will not be restated.

Upon adoption of the standard, the Company estimates an adjustment to its beginning accumulated deficit in the range of $30 million to $70 million as of April 1, 2018. In addition, the Company estimates reduction in finished good and work-in-progress inventories in the range of $300 million to $500 million in aggregate. The Company estimates a corresponding increase to unbilled receivables of approximately $330 million to $550 million. The Company is continuing to assess the impact of adopting the new standard on its consolidated financial statements. The Company is also continuing to adjust its accounting policies, operational and financial reporting processes, systems capabilities and relevant internal controls.

3. REVENUE RECOGNITION

The Company recognizes manufacturing revenue when it ships goods or the goods are received by its customer, title and risk of ownership have passed, the price to the buyer is fixed or determinable and recoverability is reasonably assured. Generally, there are no formal substantive customer acceptance requirements or further obligations related to manufacturing services. If such requirements or obligations exist, then the Company recognizes the related revenues at the time when such requirements are completed, and the obligations are fulfilled. Some of the Company's customer contracts allow the recovery of certain costs related to manufacturing services that are over and above the prices charged for the related products. The Company determines the amount of costs that are recoverable based on agreements with those customers. Also, certain customer contracts contain commitments and obligations that may result in additional expenses or decreases in revenue. The Company accrues for these commitments and obligations based on facts and circumstances including historical practice and contractual terms. Please see additional details in the customer contract section below. The Company also makes provisions for estimated sales returns at the time revenue is recognized based upon contractual terms and an analysis of historical returns and adjustments. Provisions for sales returns were not material to the consolidated financial statements for any of the periods presented.

The Company provides a comprehensive suite of services for its customers that range from advanced product design to manufacturing and logistics to after-sales services. The Company recognizes service revenue when the services have been performed, and the related costs are expensed as incurred. Sales for services were less than 10% of the Company's total sales for all periods presented, and accordingly, are included in net sales in the consolidated statements of operations. The Company recognized research and development costs primarily related to its design and innovations businesses of $78.2 million, $65.6 million, and $61.0 million for the fiscal years ended March 31, 2018, 2017 and 2016, respectively.

3. REVENUE RECOGNITION (Continued)

Transition to ASC 606

ASU 2014-09 “Revenue Contracts with Customers (Topic 606)” establishes a comprehensive framework for determining the nature, amount, timing and uncertainty of revenues and cash flows arising from a contract with a customer. Upon adoption of the new guidance, effective April 1, 2018 for Flex, the timing of revenue recognition for a portion of the Company’s business will change, resulting in the recognition of revenue for certain of the Company’s manufacturing services customer contracts earlier than under the previous recognition rules. Refer to note 2 for further detail about the impact to the Company upon adoption.

Customer Contracts and Related Obligations

The Company generally enters into master supply agreements (“MSA”) with its customers that provide the framework under which business will be conducted. This includes matters such as warranty, indemnification, transfer of title and risk of loss, liability for excess and obsolete inventory, pricing formulas, payment terms, etc. On occasion, the level of business under those agreements is not guaranteed. In those instances, we bid on a program-by-program basis and typically receive customer purchase orders for specific quantities and timing of products. As a result, the Company considers its contract with a customer to be the combination of the MSA and the purchase order, or any other similar documents such as a statement of work that embody the commitment by the customer.

Certain of the Company’s customer agreements include terms that result in potential price adjustments. These price adjustments include, but are not limited to, sharing of cost savings, committed price reductions, material margins earned over the period that are contractually restricted to be paid to the customers, rebates, refunds tied to performance metrics such as on-time delivery, and other periodic pricing resets that may be refundable to customers. The Company accrues for these contractual provisions as a reduction of revenues when incurred which generally approximates the same time that revenue for the portion of the arrangement that is not subject to such price adjustments is recognized. The Company determines the amounts to be accrued based on the amount of potential refund required by the contract, where applicable, historical experience and other surrounding facts and circumstances. Often these obligations are settled with the customer in a period after shipment through various methods which include reduction of prices in future purchases, issuance of a payment to the customer, or issuance of a credit note applied against the customer’s accounts receivable balance. In some instances, the agreement might be silent on the settlement mechanism. Any difference between the amount accrued upon shipment for potential refunds and the actual amount agreed to with the customer is recorded as an increase or decrease in revenue. These potential price adjustments are included as part of other current liabilities on the consolidated balance sheet, and disclosed as part of customer related accruals in note 2. Refer to note 2 for further details about other current liabilities.

4. SHARE-BASED COMPENSATION

Equity Compensation Plans

Historically, the Company’s primary plan used for granting equity compensation awards was the 2010 Equity Incentive Plan (the “2010 Plan”). Effective August 15, 2017, awards are granted under the Company’s 2017 Equity Incentive Plan (the “2017 Plan”), which was approved by the Company’s shareholders at the 2017 Annual General Meeting of Shareholders, to replace the 2010 Plan for further grants. For additional discussion about the 2017 Plan, refer to the Company’s Proxy Statement, which was filed with the Securities and Exchange Commission on July 5, 2017.

During fiscal year 2016, in conjunction with the acquisition of NEXTracker, the Company assumed all of the outstanding, unvested share bonus awards and outstanding, unvested options to purchase shares of common stock of NEXTracker, and converted all these shares into Flex awards. As a result, the Company now maintains the 2014 NEXTracker Equity Incentive Plan (the “NEXTracker Plan”).

4. SHARE-BASED COMPENSATION (Continued)

Additionally, during fiscal year 2017, in conjunction with an immaterial acquisition, the Company assumed all of the outstanding, unvested options to purchase shares of common stock of the acquiree, and converted all of these shares into Flex awards. As a result, the Company now maintains an additional equity compensation plan, the BrightBox Technologies 2013 Plan (the “BrightBox Plan”). The BrightBox Plan is immaterial to the Company for all periods presented.

As a result of the deconsolidation of Elementum during fiscal year 2018, the Company no longer grants equity compensation awards under the 2013 Elementum Plan. Refer to note 6 for additional information on the deconsolidation.

Share-Based Compensation Expense

The following table summarizes the Company’s share-based compensation expense for all Equity Incentive Plans:

	Fiscal Year Ended March 31,		
	2018	2017	2016
		(In thousands)	
Cost of sales	$19,102	$10,023	$ 8,986
Selling, general and administrative expenses	66,142	72,243	68,594
Total share-based compensation expense	$85,244	$82,266	$77,580

Cash flows resulting from excess tax benefits (tax benefits related to the excess of proceeds from employee exercises of share options over the share-based compensation cost recognized for those options) are classified as operating cash flows. During fiscal years 2018, 2017 and 2016, the Company did not recognize any excess tax benefits as an operating cash inflow.

The 2017 Equity Incentive Plan

As of March 31, 2018, the Company had approximately 22.2 million shares available for grant under the 2017 Plan. Options issued to employees under the 2017 Plan generally vest over four years and expire ten years from the date of grant. Options granted to non-employee directors expire five years from the date of grant.

The exercise price of options granted to employees is determined by the Company’s Board of Directors or the Compensation Committee and may not be less than the closing price of the Company’s ordinary shares on the date of grant.

As of March 31, 2018, the total unrecognized compensation cost related to unvested share options granted to employees under the 2017 Plan was not significant and will be amortized on a straight-line basis over a weighted-average period of approximately six months.

The Company also grants share bonus awards under its equity compensation plan. Share bonus awards are rights to acquire a specified number of ordinary shares for no cash consideration in exchange for continued service with the Company. Share bonus awards generally vest in installments over a three to five-year period and unvested share bonus awards are forfeited upon termination of employment.

Vesting for certain share bonus awards is contingent upon both service and market conditions. Further, vesting for certain share bonus awards granted to certain executive officers is contingent upon meeting certain free cash flow targets.

As of March 31, 2018, the total unrecognized compensation cost related to unvested share bonus awards granted to employees was approximately $134.2 million under the 2017 Plan. These costs will be amortized generally on a straight-line basis over a weighted-average period of approximately 2.5 years. Approximately $14.2 million of the unrecognized compensation cost related to the 2017 Plan is related to share bonus awards granted to certain key employees whereby vesting is contingent on meeting a certain market condition.

4. SHARE-BASED COMPENSATION (Continued)

Determining Fair Value—Options and share bonus awards

Valuation and Amortization Method—The Company estimates the fair value of share options granted under the 2017 and 2010 Plans using the Black-Scholes valuation method and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. The fair market value of share bonus awards granted, other than those awards with a market condition, is the closing price of the Company's ordinary shares on the date of grant and is generally recognized as compensation expense on a straight-line basis over the respective vesting period.

Expected Term—The Company's expected term used in the Black-Scholes valuation method represents the period that the Company's share options are expected to be outstanding and is determined based on historical experience of similar awards, giving consideration to the contractual terms of the share options, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of its share options.

Expected Volatility—The Company's expected volatility used in the Black-Scholes valuation method is derived from a combination of implied volatility related to publicly traded options to purchase Flex ordinary shares and historical variability in the Company's periodic share price.

Expected Dividend—The Company has never paid dividends on its ordinary shares and accordingly the dividend yield percentage is zero for all periods.

Risk-Free Interest Rate—The Company bases the risk-free interest rate used in the Black-Scholes valuation method on the implied yield currently available on U.S. Treasury constant maturities issued with a term equivalent to the expected term of the option.

There were no options granted under the 2017 and 2010 Plans during fiscal years 2018, 2017 and 2016.

Determining Fair Value—Share bonus awards with service and market conditions

Valuation and Amortization Method—The Company estimates the fair value of share bonus awards granted under the 2017 and 2010 Plans whereby vesting is contingent on meeting certain market conditions using Monte Carlo simulation. This fair value is then amortized on a straight-line basis over the vesting period, which is the service period.

Expected volatility of Flex—Volatility used in a Monte Carlo simulation is derived from the historical volatility of Flex's stock price over a period equal to the service period of the share bonus awards granted. The service period is three years for those share bonus awards granted in fiscal years 2018, 2017 and 2016.

Average peer volatility—Volatility used in a Monte Carlo simulation is derived from the historical volatilities of the Standard and Poor's ("S&P") 500 index for the share bonus awards granted in fiscal years 2018, 2017 and 2016.

Average Peer Correlation—Correlation coefficients were used to model the movement of Flex's stock price relative to the S&P 500 index for the share bonus awards granted in fiscal years 2018, 2017 and 2016.

Expected Dividend and Risk-Free Interest Rate assumptions—Same methodology as discussed above.

The fair value of the Company's share-bonus awards under the 2017 and 2010 Plans, whereby vesting is contingent on meeting certain market conditions, for fiscal years 2018, 2017 and 2016 was estimated using the following weighted-average assumptions:

	Fiscal Year Ended March 31,		
	2018	2017	2016
Expected volatility	25.1%	25.8%	26.0%
Average peer volatility	28.7%	25.1%	23.0%
Average peer correlation	0.6	0.6	0.6
Expected dividends	0.0%	0.0%	0.0%
Risk-free interest rate	1.5%	0.9%	1.2%

4. SHARE-BASED COMPENSATION (Continued)

Share-Based Awards Activity

The following is a summary of option activity for the Company's 2017 and 2010 Plans ("Price" reflects the weighted-average exercise price):

	Fiscal Year Ended March 31,					
	2018		2017		2016	
	Options	Price	Options	Price	Options	Price
Outstanding, beginning of fiscal year	142,327	$ 8.97	2,369,636	$ 8.31	15,992,894	$ 7.81
Granted	—	—	—	—	—	—
Exercised	(125,949)	8.63	(1,573,356)	6.89	(10,006,774)	6.10
Forfeited	(9,500)	11.55	(653,953)	12.39	(3,616,484)	12.23
Outstanding, end of fiscal year	6,878	$ 9.78	142,327	$ 8.97	2,369,636	$ 8.31
Options exercisable, end of fiscal year	5,751	$ 9.52	138,950	$ 8.93	2,359,527	$ 8.30

The aggregate intrinsic value of options exercised under the Company's 2010 Plan (calculated as the difference between the exercise price of the underlying award and the price of the Company's ordinary shares determined as of the time of option exercise for options exercised in-the-money) was $1.1 million, $9.3 million and $55.3 million during fiscal years 2018, 2017 and 2016, respectively.

Cash received from option exercises under the 2010 Plan was $1.1 million, $10.9 million and $61.1 million for fiscal years 2018, 2017 and 2016, respectively.

As of March 31, 2018 the aggregate intrinsic value for options outstanding, options vested and expected to vest, and options exercisable under the Company's 2017 and 2010 Plans were immaterial. The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's ordinary shares as of March 31, 2018 for the immaterial amount of options that were in-the-money at March 31, 2018.

The following table summarizes the Company's share bonus award activity under the 2017 and 2010 Plans ("Price" reflects the weighted-average grant-date fair value):

	Fiscal Year Ended March 31,					
	2018		2017		2016	
	Shares	Price	Shares	Price	Shares	Price
Unvested share bonus awards outstanding, beginning of fiscal year	15,698,582	$12.44	17,000,076	$10.77	18,993,252	$ 9.01
Granted(1)	6,155,761	16.99	8,261,666	13.46	7,619,722	12.23
Vested(1)	(6,473,562)	12.17	(8,606,246)	9.44	(8,529,378)	7.93
Forfeited	(1,488,739)	13.38	(956,914)	11.20	(1,083,520)	9.67
Unvested share bonus awards outstanding, end of fiscal year	13,892,042	$14.52	15,698,582	$12.44	17,000,076	$10.77

(1) Included in the fiscal years 2018 and 2017 amounts are 0.7 million and 1.7 million of share bonus awards, respectively, representing the number of awards achieved above target levels based on the achievement of certain market conditions, as further described in the table below. These awards were issued and immediately vested in accordance with the terms and conditions of the underlying awards.

Of the 6.2 million unvested share bonus awards granted under the 2017 and 2010 Plans in fiscal year 2018, approximately 4.7 million are plain-vanilla unvested share bonus awards with no performance or market conditions with an average grant date price of $16.57 per share. Further, approximately 0.2 million of these unvested share bonus awards have an average grant date price of $16.34 per share and represents the target amount of grants made to certain executive officers whereby vesting is contingent on meeting certain free cash

4. SHARE-BASED COMPENSATION (Continued)

flow targets. These awards cliff vest after three years and will ultimately pay out over a range from zero up to a maximum of 0.4 million of the target payment based on a measurement of cumulative three-year increase of free cash flow from operations of the Company. Further, 0.6 million of these unvested share bonus awards granted in fiscal year 2018 represents the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions. The average grant date fair value of these awards contingent on certain market conditions was estimated to be $20.25 per award and was calculated using a Monte Carlo simulation. Vesting information for these shares are further detailed in the table below. Finally, the remaining balance of 0.7 million represents the number of awards achieved above target levels, as described in the table above.

Of the 13.9 million unvested share bonus awards outstanding under the 2017 and 2010 Plans as of the fiscal year ended 2018, approximately 2.0 million of unvested share bonus awards represents the target amount of grants made to certain key employees whereby vesting is contingent on meeting certain market conditions summarized as follows:

Year of grant	Targeted number of awards as of March 31, 2018 (in shares)	Average grant date fair value (per share)	Range of shares that may be issued(1) Minimum	Range of shares that may be issued(1) Maximum	Assessment dates
Fiscal 2018	623,620	$20.25	—	1,247,240	June 2020
Fiscal 2017	677,523	$17.57	—	1,355,046	June 2019
Fiscal 2016	648,929	$14.96	—	1,297,858	June 2018
Totals	1,950,072		—	3,900,144	

(1) Vesting ranges from zero to 200% based on measurement of Flex's total shareholder return against the Standard and Poor's ("S&P") 500 Composite Index.

The Company will recognize share-based compensation expense for awards with market conditions regardless of whether such awards will ultimately vest. During fiscal year 2018, 1.4 million shares vested in connection with the share bonus awards with market conditions granted in fiscal year 2015.

The total intrinsic value of share bonus awards vested under the Company's 2017 and 2010 Plans was $108.4 million, $109.5 million and $103.2 million during fiscal years 2018, 2017 and 2016, respectively, based on the closing price of the Company's ordinary shares on the date vested.

The 2014 NEXTracker Equity Incentive Plan

All awards previously granted under the NEXTracker Plan are the result of the Company's conversion of all outstanding, unvested shares of NEXTracker into unvested shares of the Company, as part of the acquisition. During fiscal year 2018, the Company modified the vesting conditions of 0.3 million unvested options and 0.5 million share bonus awards under the NEXTracker Plan contingent on meeting certain performance targets. These options and share bonus awards were then re-granted to vest in installments over a three-year period commencing September 29, 2017. The Company determined that the transaction falls under the accounting for modification of awards, and accordingly adjusted the recognized compensation expense with an immaterial impact on the statement of operations for fiscal year 2018.

Options issued to employees under the NEXTracker Plan generally have a vesting period of two to four years from vesting commencement date and expire ten years from the date of grant.

The exercise price of options granted to employees was determined by the Company based on a conversion rate agreed upon in the purchase agreement of NEXTracker.

As of March 31, 2018, the total unrecognized compensation cost related to unvested share options granted to employees under the NEXTracker Plan was $6.3 million and will be amortized on a straight-line basis over a weighted-average period of approximately 2.1 years.

4. SHARE-BASED COMPENSATION (Continued)

Share bonus awards issued to employees under the NEXTracker Plan vest in installments over a three to five-year period from vesting commencement date, and unvested share bonus awards are forfeited upon termination of employment. Vesting for certain of these share bonus awards is contingent on meeting certain performance targets over a three-year period commencing September 29, 2017, following the modification of vesting conditions described above.

As of March 31, 2018, the total unrecognized compensation cost related to unvested share bonus awards granted to employees under the NEXTracker Plan was approximately $10.5 million and will be amortized generally on a straight-line basis over a weighted-average period of approximately 2.5 years.

Determining Fair Value

As noted above, the Company re-granted certain shares options under the NEXTracker Plan during fiscal year 2018 after modifying the vesting conditions. The fair value of share options granted under the NEXTracker Plan for fiscal years 2018 and 2016 was estimated using the following weighted-average assumptions:

	Fiscal Year Ended March 31,	
	2018	2016
Expected term	6.5 years	2.9 years
Expected volatility	28.8%	28.8%
Expected dividends	0.0%	0.0%
Risk-free interest rate	2.1%	0.9%
Weighted-average fair value	$16.29	$7.76

Share-Based Awards Activity

The following is a summary of option activity for the NEXTracker Plan ("Price" reflects the weighted-average exercise price):

	Fiscal Year Ended March 31,					
	2018		2017		2016	
	Options	Price	Options	Price	Options	Price
Outstanding, beginning of fiscal year	1,636,016	$3.61	2,741,854	$3.44	—	$ —
Granted	288,386	0.54	—	—	3,205,806	3.28
Exercised	(510,322)	3.27	(709,845)	2.24	(237,380)	0.99
Forfeited	(352,820)	5.69	(395,993)	4.64	(226,572)	3.75
Outstanding, end of fiscal year	1,061,260	$3.55	1,636,016	$3.61	2,741,854	$3.44
Options exercisable, end of fiscal year	352,829	$5.11	369,015	$5.00	223,869	$4.95

The aggregate intrinsic value of options exercised under the NEXTracker plan (calculated as the difference between the exercise price of the underlying award and the price of the Company's ordinary shares determined as of the time of option exercise for options exercised in-the-money) was $7.3 million, $8.0 million and 2.3 million as of March 31, 2018, 2017 and 2016, respectively.

Cash received from option exercises under the NEXTracker Plan was $1.7 million, $1.6 million and $0.2 million for fiscal years 2018, 2017 and 2016, respectively.

As of March 31, 2018 the aggregate intrinsic value for options outstanding, options vested and expected to vest, and options exercisable under the Company's NEXTracker Plan, were $13.6 million, $13.6 million, and $4.0 million, respectively. The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's ordinary shares as of March 31, 2018 for the approximately 1.1 million options under the NEXTracker Plan that were in-the-money at March 31, 2018.

4. SHARE-BASED COMPENSATION (Continued)

The following table summarizes the Company's share bonus award activity under the NEXTracker Plan ("Price" reflects the weighted-average grant-date fair value):

	Fiscal Year Ended March 31,					
	2018		2017		2016	
	Shares	Price	Shares	Price	Shares	Price
Unvested share bonus awards outstanding, beginning of fiscal year	1,543,437	$10.23	2,309,096	$10.27	—	$ —
Granted	524,978	16.73	—	—	2,393,195	10.27
Vested	(471,831)	7.63	(705,738)	10.19	(31,925)	10.27
Forfeited	(868,934)	10.18	(59,921)	10.27	(52,174)	10.27
Unvested share bonus awards outstanding, end of fiscal year	727,650	$11.85	1,543,437	$10.23	2,309,096	$10.27

The total intrinsic value of share bonus awards vested under the Company's NEXTracker Plan was $8.0 million and $9.6 million, during fiscal year 2018 and 2017, respectively, based on the closing price of the Company's ordinary shares on the date vested. The total intrinsic value of share bonus awards vested under the Company's NEXTracker Plan was immaterial during fiscal year 2016.

5. EARNINGS PER SHARE

Basic earnings per share excludes dilution and is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the applicable periods.

Diluted earnings per share reflects the potential dilution from stock options and share bonus awards. The potential dilution from stock options exercisable into ordinary share equivalents and share bonus awards was computed using the treasury stock method based on the average fair market value of the Company's ordinary shares for the period.

The following table reflects the basic weighted-average ordinary shares outstanding and diluted weighted-average ordinary share equivalents used to calculate basic and diluted income per share:

	Fiscal Year Ended March 31,		
	2018	2017	2016
	(In thousands, except per share amounts)		
Basic earnings per share:			
Net income	$428,534	$319,564	$444,081
Shares used in computation:			
Weighted-average ordinary shares outstanding	529,782	540,503	557,667
Basic earnings per share	$ 0.81	$ 0.59	$ 0.80
Diluted earnings per share:			
Net income	$428,534	$319,564	$444,081
Shares used in computation:			
Weighted-average ordinary shares outstanding	529,782	540,503	557,667
Weighted-average ordinary share equivalents from stock options and awards(1)	6,816	5,717	7,202
Weighted-average ordinary shares and ordinary share equivalents outstanding	536,598	546,220	564,869
Diluted earnings per share	$ 0.80	$ 0.59	$ 0.79

(1) An immaterial amount of options to purchase ordinary shares during fiscal year 2018 were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average

5. EARNINGS PER SHARE (Continued)

ordinary shares equivalents. Options to purchase ordinary shares of 0.5 million and 2.0 million during fiscal years 2017 and 2016, respectively, were excluded from the computation of diluted earnings per share.

Share bonus awards of less than 0.1 million during fiscal year 2018 and 2017, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average ordinary shares equivalents. There were no anti-dilutive share bonus awards in fiscal year 2016.

6. NONCONTROLLING INTEREST AND DECONSOLIDATION OF SUBSIDIARY ENTITY

Starting in fiscal year 2014, the Company had a majority owned subsidiary, Elementum SCM (Cayman) Ltd (“Elementum”), which qualified as a variable interest entity for accounting purposes. The Company owned a majority of Elementum’ s outstanding equity (consisting primarily of preferred stock) and as of March 31, 2017, controlled its board of directors, which gave the Company the power to direct the activities of Elementum that most significantly impact its economic performance. Accordingly, the Company recognized the carrying value of the noncontrolling interest as a component of total shareholders’ equity, and the consolidated financial statements included the financial position and results of operations of Elementum as of and for the periods ended March 31, 2017 and 2016.

During the second quarter of fiscal year 2018, the Company and other minority shareholders of Elementum amended certain agreements resulting in joint control of the board of directors between the Company and other non-controlling interest holders. As a result, the Company concluded it is no longer the primary beneficiary of Elementum and accordingly, deconsolidated the entity. The Company no longer recognizes the carrying value of the noncontrolling interest as a component of total shareholder’s equity resulting in a reduction of $90.6 million of noncontrolling interest from its consolidated balance sheet upon deconsolidation. Further, the Company derecognized approximately $72.6 million of cash of Elementum as of the date of deconsolidation which is reflected as an outflow from investing activities within other investing activities, net in the consolidated statement of cash flows for the year ended March 31, 2018. There were no other material impacts to the consolidated balance sheet or consolidated cash flows resulting from deconsolidation of the entity. The noncontrolling interest in the operating losses of Elementum prior to deconsolidation is immaterial for all periods presented and is classified as a component of interest and other, net, in the Company’s consolidated statements of operations.

The carrying amount of the Company’s variable interest in Elementum was approximately $124.6 million as of March 31, 2018, is accounted for as a cost method investment, and is included in other assets on the consolidated balance sheet. The value of the Company’s variable interest on the date of deconsolidation was based on management’s estimate of the fair value of Elementum at that time. The Company concluded that the market approach was the most appropriate method to determine the fair value of the entity on the date of deconsolidation, given that Elementum raised equity funding from third-party investors around the same period (i.e., level 2 inputs). The Company recognized a gain on deconsolidation of approximately $151.6 million with no related tax impact, which is included in other charges (income), net on the consolidated statement of operations. As the Company is not obligated to fund future losses of Elementum, the carrying amount is the Company’s maximum risk of loss. Pro-forma financials have not been presented because the effects were not material to the Company’s consolidated financial position and results of operation for all periods presented. Elementum remains a related party to the Company after deconsolidation and transactions between the Company and Elementum during the year ended March 31, 2018 were immaterial.

7. SUPPLEMENTAL CASH FLOW DISCLOSURES

The following table represents supplemental cash flow disclosures and non-cash investing and financing activities:

	Fiscal Year Ended March 31,		
	2018	2017	2016
	(In thousands)		
Net cash paid for:			
Interest	$152,750	$127,346	$114,578
Income taxes	$ 91,846	$ 86,651	$105,453
Non-cash investing and financing activity:			
Unpaid purchases of property and equipment	$128,044	$ 84,375	$ 93,310
Customer-related third party banking institution equipment financing net settlement	$ —	$ 90,576	$ —
Non-cash investment in Elementum (Note 6)	$132,679	$ —	$ —
Non-cash proceeds from sales of Wink (Note 2)	$ 59,000	$ —	$ —

8. BANK BORROWINGS AND LONG-TERM DEBT

Bank borrowings and long-term debt are as follows:

	As of March 31,	
	2018	2017
	(In thousands)	
4.625% Notes due February 2020	$ 500,000	$ 500,000
Term Loan, including current portion, due in installments through November 2021	687,813	700,000
Term Loan, including current portion, due in installments through June 2022	483,656	502,500
5.000% Notes due February 2023	500,000	500,000
4.750% Notes due June 2025	596,387	595,979
Other	186,601	169,671
Debt issuance costs	(13,815)	(16,007)
	2,940,642	2,952,143
Current portion, net of debt issuance costs	(43,011)	(61,534)
Non-current portion	$2,897,631	$2,890,609

The weighted-average interest rates for the Company's long-term debt were 3.9% and 3.5% as of March 31, 2018 and 2017, respectively.

Repayments of the Company's long-term debt are as follows:

Fiscal Year Ending March 31,	Amount
	(In thousands)
2019	$ 44,015
2020	542,915
2021	116,423
2022	812,500
2023	839,188
Thereafter	599,416
Total	$2,954,457

8. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

Term Loan due November 2021

In August 2013, the Company entered into a $600 million term loan agreement due August 2018. In November 2016, the Company entered into a new arrangement to extend the maturity date of the agreement from August 30, 2018 to November 30, 2021, and borrowed an incremental amount of $130 million under this term loan, thereby increasing the total amount under the term loan to $700 million. This loan is repayable in quarterly installments of $4.1 million, which commenced October 31, 2017 and continue through September 30, 2021, with the remaining amount due at maturity.

Borrowings under this term loan bear interest, at the Company's option, either at (i) LIBOR plus the applicable margin for LIBOR loans ranging between 1.125% and 2.125%, based on the Company's credit ratings or (ii) the base rate (the greatest of the prime rate in effect on each day as published in The Wall Street Journal, the federal funds rate plus 0.5% and LIBOR for a one-month interest period plus 1.00%) plus an applicable margin ranging between 0.125% and 1.125%, based on the Company's credit rating.

This term loan is unsecured, and contains customary restrictions on the ability of the Company and its subsidiaries to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of exceptions and limitations. This term loan agreement also requires that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio, as defined therein, during its term; provided that the requirement to maintain the minimum interest coverage ratio may be suspended in certain circumstances. As of March 31, 2018, the Company was in compliance with the covenants under this term loan agreement.

Term Loan Agreement due June 2022 and Revolving Line of Credit

In June 2017, the Company entered into a five-year credit facility consisting of a $1.75 billion revolving credit facility and a $502.5 million term loan, which is due to mature on June 30, 2022 (the "2022 Credit Facility"). This 2022 Credit Facility replaced the Company's $2.1 billion credit facility, which was due to mature in March 2019. The outstanding principal of the term loan portion of the 2022 Credit Facility is repayable in quarterly installments of approximately $6.3 million from September 30, 2017 through June 30, 2020 and approximately $12.6 million from September 30, 2020 through March 31, 2022 with the remainder due upon maturity. The Company determined that effectively extending the maturity date of the revolving credit and repaying the term loan due March 2019 qualified as a debt modification and consequently all unamortized debt issuance costs related to the $2.1 billion credit facility are capitalized and will be amortized over the term of the 2022 Credit Facility.

Borrowings under the 2022 Credit Facility bear interest, at the Company's option, either at (i) the Base Rate, which is defined as the greatest of (a) the Administrative Agent's prime rate, (b) the federal funds effective rate, plus 0.50% and (c) the LIBOR (the London Interbank Offered Rate) rate that would be calculated as of each day in respect of a proposed LIBOR loan with a one-month interest period, plus 1.0%; plus, in the case of each of clauses (a) through (c), an applicable margin ranging from 0.125% to 0.875% per annum, based on the Company's credit ratings (as determined by Standard & Poor's Financial Services LLC, Moody's Investors Service, Inc. and Fitch Ratings Inc.) or (ii) LIBOR plus the applicable margin for LIBOR loans ranging between 1.125% and 1.875% per annum, based on the Company's credit ratings.

The 2022 Credit Facility is unsecured and contains customary restrictions on the ability of the Company and its subsidiaries to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of significant exceptions and limitations. The 2022 Credit Facility also requires that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest

8. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

coverage ratio during the term of the 2022 Credit Facility. As of March 31, 2018, the Company was in compliance with the covenants under the 2022 Credit Facility agreement.

Notes due February 2020 and February 2023

In February 2013, the Company issued $500.0 million of 4.625% Notes due February 15, 2020 and $500.0 million of 5.000% Notes due February 15, 2023 (collectively the "Notes") in a private offering pursuant to Rule 144A and Regulation S under the Securities Act. In July 2013, the Company exchanged these notes for new notes with substantially similar terms and completed the registration of these notes with the Securities and Exchange Commission. The Company received net proceeds of approximately $990.6 million from the issuance and used those proceeds, together with $9.4 million of cash on hand, to repay $1.0 billion of outstanding borrowings under its previous term loan that was due October 2014.

Interest on the Notes is payable semi-annually, which commenced on August 15, 2013. The Notes are senior unsecured obligations of the Company, rank equally with all of the Company's other existing and future senior and unsecured debt obligations, and up until June 30, 2017 were guaranteed, jointly and severally, fully and unconditionally on an unsecured basis, by certain of the Company's 100% owned subsidiaries (the "guarantor subsidiaries"). The Company replaced its $2.1 billion credit facility, which was due to expire in March 2019 and was guaranteed by the guarantor subsidiaries, with the 2022 Credit Facility, which is not guaranteed by the guarantor subsidiaries. Effective upon the replacement, all guarantor subsidiaries were released from their guarantees under each indenture for the Notes. As a result, the Company will no longer be providing supplemental guarantor and non-guarantor consolidating financial statements.

At any time prior to maturity, the Company may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus an applicable premium accrued and unpaid interest, if any, to the applicable redemption date. Upon the occurrence of a change of control repurchase event (as defined in the Notes indenture), the Company must offer to repurchase the Notes at a repurchase price equal to 101% of the principal amount of the Notes repurchased, plus accrued and unpaid interest, if any, to the applicable repurchase date.

The indenture governing the Notes contains covenants that, among other things, restrict the ability of the Company and certain of the Company's subsidiaries to create liens; enter into sale-leaseback transactions; create, incur, issue, assume or guarantee any funded debt; and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to, another person. These covenants are subject to a number of significant limitations and exceptions set forth in the indenture. The indenture also provides for customary events of default, including, but not limited to, cross defaults to certain specified other debt of the Company and its subsidiaries. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding Notes will become due and payable immediately without further action or notice. If any other event of default under the indenture occurs or is continuing, the applicable trustee or holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all of the Notes to be due and payable immediately. As of March 31, 2018, the Company was in compliance with the covenants in the indenture governing the Notes.

Notes due June 2025

In June 2015, the Company issued $600 million of 4.750% Notes ("2025 Notes") due June 15, 2025 in a private offering pursuant to Rule 144A and Regulation S under the Securities Act, at 99.213% of face value, and an effective yield of approximately 4.850%. The Company received net proceeds of approximately $595.3 million from the issuance which was used for general corporate purposes. During January 2016, the Company exchanged these notes for new notes with substantially similar terms and completed the registration of these notes with the Securities and Exchange Commission.

8. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

The Company incurred approximately $7.9 million of costs in conjunction with the issuance of the 2025 Notes. The issuance costs were capitalized and presented on the balance sheet as a direct deduction from the carrying amount of the 2025 Notes.

Interest on the 2025 Notes is payable semi-annually, commencing on December 15, 2015. The 2025 Notes are senior unsecured obligations of the Company, rank equally with all of the Company's other existing and future senior and unsecured debt obligations, and up until June 30, 2017 were guaranteed, jointly and severally, fully and unconditionally on an unsecured basis, by each of the Company's 100% owned subsidiaries (the "guarantor subsidiaries"). The Company replaced its $2.1 billion credit facility, which was due to expire in March 2019 and was guaranteed by the guarantor subsidiaries, with the 2022 Credit Facilities, which is not guaranteed by the guarantor subsidiaries. Effective upon the replacement, all guarantor subsidiaries were released from their guarantees under the indenture for the 2025 Notes. As a result, the Company will no longer be providing supplemental guarantor and non-guarantor consolidating financial statements.

At any time prior to March 15, 2025, the Company may redeem some or all of the 2025 Notes at a redemption price equal to 100% of the principal amount of the 2025 Notes redeemed, plus an applicable premium and accrued and unpaid interest, if any, to the applicable redemption date. Upon the occurrence of a change of control repurchase event (as defined in the 2025 Notes indenture), the Company must offer to repurchase the 2025 Notes at a repurchase price equal to 101% of the principal amount of the 2025 Notes repurchased, plus accrued and unpaid interest, if any, to the applicable repurchase date.

The indenture governing the 2025 Notes contains covenants that, among other things, restrict the ability of the Company and certain of the Company's subsidiaries to create liens; enter into sale-leaseback transactions; create, incur, issue, assume or guarantee any funded debt; and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to, another person, or permit any other person to consolidate, merge, combine or amalgamate with or into the Company. These covenants are subject to a number of significant limitations and exceptions set forth in the indenture. The indenture also provides for customary events of default, including, but not limited to, cross defaults to certain specified other debt of the Company and its subsidiaries. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding 2025 Notes will become due and payable immediately without further action or notice. If any other event of default under the agreement occurs or is continuing, the applicable trustee or holders of at least 25% in aggregate principal amount of the then outstanding 2025 Notes may declare all of the 2025 Notes to be due and payable immediately, but upon certain conditions such declaration and its consequences may be rescinded and annulled by the holders of a majority in principal amount of the 2025 Notes. As of March 31, 2018, the Company was in compliance with the covenants in the indenture governing the 2025 Notes.

Other Credit Lines

In January 2017, the Company borrowed €100 million (approximately $123.5 million as of March 31, 2018), under a 5-year, term-loan agreement due January 2, 2022. Borrowings under this term loan bear interest at EURIBOR minus 0.1% plus the applicable margin ranging between 0.40% and 1.35%, based on the Company's credit ratings. The loan is repayable upon maturity.

In October 2015, the Company borrowed €50 million (approximately $61.8 million as of March 31, 2018), under a 5-year, term-loan agreement due September 30, 2020. Borrowings under this term loan bear interest at EURIBOR plus the applicable margin ranging between 0.80% and 2.00%, based on the Company's credit ratings. The loan is repayable beginning December 30, 2016 in quarterly payments of €312,500 through June 30, 2020 with the remainder due upon maturity.

These term loans are unsecured and are guaranteed by the Company. These term loan agreements contain customary restrictions on the Company's and its subsidiaries' ability to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are

8. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

subject to a number of exceptions and limitations. These term loan agreements also require that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio, as defined therein, during their terms. As of March 31, 2018, the Company was in compliance with the covenants under these term loan agreements.

As of March 31, 2018, the Company and certain of its subsidiaries had various uncommitted revolving credit facilities, lines of credit and other credit facilities in the amount of $256.5 million in the aggregate. There were no borrowings outstanding under these facilities as of March 31, 2018 and 2017. These unsecured credit facilities, and lines of credit and other credit facilities bear annual interest at the respective country's inter-bank offering rate, plus an applicable margin, and generally have maturities that expire on various dates in future fiscal years.

9. FINANCIAL INSTRUMENTS

Foreign Currency Contracts

The Company transacts business in various foreign countries and is therefore exposed to foreign currency exchange rate risk inherent in forecasted sales, cost of sales, and monetary assets and liabilities denominated in non-functional currencies. The Company has established risk management programs to protect against volatility in the value of non-functional currency denominated monetary assets and liabilities, and of future cash flows caused by changes in foreign currency exchange rates. The Company tries to maintain a partial or fully hedged position for certain transaction exposures, which are primarily, but not limited to, revenues, customer and vendor payments and inter-company balances in currencies other than the functional currency unit of the operating entity. The Company enters into short-term foreign currency derivatives contracts, including forward, swap, and options contracts to hedge only those currency exposures associated with certain assets and liabilities, primarily accounts receivable and accounts payable, and cash flows denominated in non-functional currencies. Gains and losses on the Company's derivative contracts are designed to offset losses and gains on the assets, liabilities and transactions hedged, and accordingly, generally do not subject the Company to risk of significant accounting losses. The Company hedges committed exposures and does not engage in speculative transactions. The credit risk of these derivative contracts is minimized since the contracts are with large financial institutions and accordingly, fair value adjustments related to the credit risk of the counterparty financial institution were not material.

As of March 31, 2018, the aggregate notional amount of the Company's outstanding foreign currency derivative contracts was $7.6 billion as summarized below:

	Foreign Currency Amount		Notional Contract Value in USD	
Currency	Buy	Sell	Buy	Sell
		(In thousands)		
Cash Flow Hedges				
CNY	2,472,000	—	$ 392,493	$ —
EUR	74,696	102,508	92,292	123,347
HUF	20,482,360	—	80,961	—
ILS	104,570	17,325	29,853	4,946
MXN	3,820,600	—	208,688	—
MYR	235,400	78,000	60,277	19,973
RON	125,190	—	33,224	—
SGD	35,250	—	26,908	—
Other	N/A	N/A	49,734	3,225
			974,430	151,491

9. FINANCIAL INSTRUMENTS (Continued)

Currency	Foreign Currency Amount Buy	Foreign Currency Amount Sell	Notional Contract Value in USD Buy	Notional Contract Value in USD Sell
	(In thousands)			
Other Foreign Currency Contracts				
AUD	29,887	39,839	$ 22,925	$ 30,834
BRL	—	706,000	—	211,580
CAD	306,196	336,629	237,601	261,216
CHF	13,122	26,611	13,763	27,912
CNY	2,238,583	—	347,121	—
EUR	1,190,730	1,442,218	1,469,945	1,780,517
GBP	38,445	65,222	54,179	91,794
HUF	106,548,846	116,231,762	421,158	459,432
INR	4,052,331	747,986	61,992	11,476
MXN	2,342,814	2,109,080	127,969	115,202
MYR	844,010	627,500	216,119	160,679
PLN	99,330	54,465	29,180	16,000
SEK	144,590	267,169	17,492	32,172
SGD	73,918	40,994	56,426	31,293
Other	N/A	N/A	89,386	45,739
			3,165,256	3,275,846
Total Notional Contract Value in USD			$4,139,686	$3,427,337

As of March 31, 2018 and 2017, the fair value of the Company's short-term foreign currency contracts was included in other current assets or other current liabilities, as applicable, in the consolidated balance sheets. Certain of these contracts are designed to economically hedge the Company's exposure to monetary assets and liabilities denominated in non-functional currencies and are not accounted for as hedges under the accounting standards. Accordingly, changes in fair value of these instruments are recognized in earnings during the period of change as a component of interest and other, net in the consolidated statements of operations. As of March 31, 2018 and 2017, the Company also has included net deferred gains and losses, in accumulated other comprehensive loss, a component of shareholders' equity in the consolidated balance sheets, relating to changes in fair value of its foreign currency contracts that are accounted for as cash flow hedges. Deferred gains totaled $6.6 million as of March 31, 2018, and are expected to be recognized primarily as a component of cost of sales in the consolidated statement of operations over the next twelve-month period. The gains and losses recognized in earnings due to hedge ineffectiveness were not material for all fiscal years presented and are included as a component of interest and other, net in the consolidated statements of operations.

The following table presents the fair value of the Company's derivative instruments utilized for foreign currency risk management purposes at March 31, 2018 and 2017:

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	March 31, 2018	March 31, 2017	Balance Sheet Location	March 31, 2018	March 31, 2017
	(In thousands)					
Derivatives designated as hedging instruments						
Foreign currency contracts	Other current assets	$19,422	$11,936	Other current liabilities	$ 7,065	$1,814

9. FINANCIAL INSTRUMENTS (Continued)

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	March 31, 2018	March 31, 2017	Balance Sheet Location	March 31, 2018	March 31, 2017
	(In thousands)					
Derivatives not designated as hedging instruments						
Foreign currency contracts	Other current assets	$23,912	$10,086	Other current liabilities	$18,246	$9,928

The Company has financial instruments subject to master netting arrangements, which provides for the net settlement of all contracts with the counterparty upon maturity. The Company does not offset fair value amounts for assets and liabilities recognized for derivative instruments under these arrangements, and as such, the asset and liability balances presented in the table above reflect the gross amounts of derivatives in the consolidated balance sheets. The impact of netting derivative assets and liabilities is not material to the Company's financial position for any of the periods presented.

10. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component, net of tax, during fiscal years ended March 31, 2018, 2017 and 2016 are as follows:

	Fiscal Year Ended March 31, 2018		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)		
Beginning balance	$(32,426)	$(95,717)	$(128,143)
Other comprehensive gain before reclassifications	15,667	46,022	61,689
Net gains reclassified from accumulated other comprehensive loss	(18,987)	(404)	(19,391)
Net current-period other comprehensive gain (loss)	(3,320)	45,618	42,298
Ending balance	$(35,746)	$(50,099)	$ (85,845)

	Fiscal Year Ended March 31, 2017		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)		
Beginning balance	$(41,522)	$(94,393)	$(135,915)
Other comprehensive gain (loss) before reclassifications	6,925	(1,198)	5,727
Net (gains) losses reclassified from accumulated other comprehensive loss	2,171	(126)	2,045
Net current-period other comprehensive gain (loss)	9,096	(1,324)	7,772
Ending balance	$(32,426)	$(95,717)	$(128,143)

10. ACCUMULATED OTHER COMPREHENSIVE LOSS (Continued)

	Fiscal Year Ended March 31, 2016		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)		
Beginning balance	$(68,266)	$(112,239)	$(180,505)
Other comprehensive loss before reclassifications	(2,199)	(3,145)	(5,344)
Net (gains) losses reclassified from accumulated other comprehensive loss	28,943	20,991	49,934
Net current-period other comprehensive gain	26,744	17,846	44,590
Ending balance	$(41,522)	$ (94,393)	$(135,915)

Net gains reclassified from accumulated other comprehensive loss during fiscal year 2018 relating to derivative instruments and other includes $20.8 million attributable to the Company's cash flow hedge instruments which were recognized as a component of cost of sales in the consolidated statement of operations.

Net (gains) losses reclassified from accumulated other comprehensive loss were immaterial during fiscal year 2017.

During fiscal year 2016, the Company recognized a loss of $26.8 million in connection with the disposition of a non-strategic Western European manufacturing facility, which included a $25.3 million cumulative foreign currency translation loss offset by the release of certain immaterial cumulative foreign currency translation gains, which were reclassified from accumulated other comprehensive loss during the period and included in other charges (income), net in consolidated statement of operations.

11. TRADE RECEIVABLES SECURITIZATION

The Company sells trade receivables under two asset-backed securitization programs and an accounts receivable factoring program.

Asset-Backed Securitization Programs

The Company continuously sells designated pools of trade receivables under its Global Asset-Backed Securitization Agreement (the "Global Program") and its North American Asset-Backed Securitization Agreement (the "North American Program," collectively, the "ABS Programs") to affiliated special purpose entities, each of which in turn sells 100% of the receivables to unaffiliated financial institutions. These programs allow the operating subsidiaries to receive a cash payment and a deferred purchase price receivable for sold receivables. Following the transfer of the receivables to the special purpose entities, the transferred receivables are isolated from the Company and its affiliates, and upon the sale of the receivables from the special purpose entities to the unaffiliated financial institutions, effective control of the transferred receivables is passed to the unaffiliated financial institutions, which has the right to pledge or sell the receivables. Although the special purpose entities are consolidated by the Company, they are separate corporate entities and their assets are available first to satisfy the claims of their creditors. The investment limits set by the financial institutions are $950.0 million for the Global Program, of which $775.0 million is committed and $175.0 million is uncommitted, and $250.0 million for the North American Program, of which $210.0 million is committed and $40.0 million is uncommitted. Both programs require a minimum level of deferred purchase price receivable to be retained by the Company in connection with the sales.

The Company services, administers and collects the receivables on behalf of the special purpose entities and receives a servicing fee of 0.1% to 0.5% of serviced receivables per annum. Servicing fees recognized during the fiscal years ended March 31, 2018, 2017 and 2016 were not material and are included in interest and other, net within the consolidated statements of operations. As the Company estimates the fee it receives in return for its obligation to service these receivables is at fair value, no servicing assets or liabilities are recognized.

11. TRADE RECEIVABLES SECURITIZATION (Continued)

The Company's deferred purchase price receivables relating to its asset-backed securitization program are recorded initially at fair value based on a discounted cash flow analysis using unobservable inputs (i.e., level 3 inputs), which are primarily risk free interest rates adjusted for the credit quality of the underlying creditor. Due to its high credit quality and short term maturity, the fair value approximates carrying value. Significant increases in either of the major unobservable inputs (credit spread, risk free interest rate) in isolation would result in lower fair value estimates, however the impact is not material. The interrelationship between these inputs is also insignificant.

As of March 31, 2018 and 2017, the accounts receivable balances that were sold under the ABS Programs were removed from the consolidated balance sheets and the net cash proceeds received by the Company during fiscal years ended March 31, 2018, 2017 and 2016 were included as cash provided by operating activities in the consolidated statements of cash flows.

As of March 31, 2018, approximately $1.5 billion of accounts receivable had been sold to the special purpose entities under the ABS Programs for which the Company had received net cash proceeds of $1.1 billion and deferred purchase price receivables of $445.4 million. As of March 31, 2017, approximately $1.5 billion of accounts receivable had been sold to the special purpose entities for which the Company had received net cash proceeds of $1.0 billion and deferred purchase price receivables of $506.5 million. The portion of the purchase price for the receivables which is not paid by the unaffiliated financial institutions in cash is a deferred purchase price receivable, which is paid to the special purpose entity as payments on the receivables are collected from account debtors. The deferred purchase price receivable represents a beneficial interest in the transferred financial assets and is recognized at fair value as part of the sale transaction. The deferred purchase price receivables are included in other current assets as of March 31, 2018 and 2017, and were carried at the expected recovery amount of the related receivables. The difference between the carrying amount of the receivables sold under these programs and the sum of the cash and fair value of the deferred purchase price receivables received at time of transfer is recognized as a loss on sale of the related receivables and recorded in interest and other, net in the consolidated statements of operations. Refer to note 17 for more details.

For the fiscal years ended March 31, 2018, 2017 and 2016, cash flows from sales of receivables under the ABS Programs consisted of approximately $9.4 billion, $8.6 billion and $7.0 billion, respectively, for transfers of receivables, and approximately $3.2 billion, $4.0 billion and $4.2 billion, respectively, for collections on deferred purchase price receivables. The Company corrected previously reported disclosures related to these cash flows from sales of receivable under the ABS Programs by increasing by $2.9 billion and $1.8 billion, and the collections on deferred purchase price receivables by increasing such amounts by $0.7 billion and $0.6 billion for the fiscal years ended March 31, 2017 and 2016, respectively. The Company determined that these revisions are not material. The Company's cash flows from transfer of receivables consist primarily of proceeds from collections reinvested in revolving-period transfers. Cash flows from new transfer were not significant for all periods presented.

Trade Accounts Receivable Sale Programs

The Company also sold accounts receivables to certain third-party banking institutions. The outstanding balance of receivables sold and not yet collected on accounts where the Company has continuing involvement was approximately $286.4 million and $225.2 million as of March 31, 2018 and 2017, respectively. For the years ended March 31, 2018, 2017 and 2016, total accounts receivables sold to certain third party banking institutions was approximately $1.5 billion, $1.3 billion and $2.3 billion, respectively. The receivables that were sold were removed from the consolidated balance sheets and were reflected as cash provided by operating activities in the consolidated statements of cash flows.

12. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability. The accounting guidance for fair value establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Level 1—Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

The Company has deferred compensation plans for its officers and certain other employees. Amounts deferred under the plans are invested in hypothetical investments selected by the participant or the participant's investment manager. The Company's deferred compensation plan assets are included in other noncurrent assets on the consolidated balance sheets and include investments in equity securities that are valued using active market prices.

Level 2—Applies to assets or liabilities for which there are inputs other than quoted prices included within level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets) such as cash and cash equivalents and money market funds; or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

The Company values foreign exchange forward contracts using level 2 observable inputs which primarily consist of an income approach based on the present value of the forward rate less the contract rate multiplied by the notional amount.

The Company's cash equivalents are comprised of bank deposits and money market funds, which are valued using level 2 inputs, such as interest rates and maturity periods. Due to their short-term nature, their carrying amount approximates fair value.

The Company's deferred compensation plan assets also include money market funds, mutual funds, corporate and government bonds and certain convertible securities that are valued using prices obtained from various pricing sources. These sources price these investments using certain market indices and the performance of these investments in relation to these indices. As a result, the Company has classified these investments as level 2 in the fair value hierarchy.

Level 3—Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company has accrued for contingent consideration in connection with its business acquisitions as applicable, which is measured at fair value based on certain internal models and unobservable inputs.

The significant inputs in the fair value measurement not supported by market activity included the Company's probability assessments of expected future revenue during the earn-out period and associated volatility, appropriately discounted considering the uncertainties associated with the obligation, and calculated in accordance with the terms of the merger agreement. Significant decreases in expected revenue during the earn-out period, or significant increases in the discount rate or volatility in isolation would result in lower fair value estimates. The interrelationship between these inputs is not considered significant.

12. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES (Continued)

The following table summarizes the activities related to contingent consideration:

	As of March 31, 2018	As of March 31, 2017
	(In thousands)	
Beginning balance	$ 22,426	$ 73,423
Additions to accrual	—	—
Payments and settlements	(17,109)	(44,912)
Fair value adjustments	(5,317)	(6,085)
Ending balance	$ —	$ 22,426

In connection with the acquisition of NEXTracker, Inc. in fiscal year 2016, the Company had an obligation to pay additional cash consideration to the former shareholders contingent upon NEXTracker, Inc.'s achievement of revenue targets during the two years after acquisition (ending on September 30, 2017). During fiscal year 2018, the Company paid $17.1 million of the total contingent consideration following the second year's targets achievement in accordance with the terms of the merger agreement. The payment of the contingent consideration is included in other financing activities, net, in the consolidated statements of cash flows.

There were no transfers between levels in the fair value hierarchy during fiscal years 2018 and 2017.

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents the Company's assets and liabilities measured at fair value on a recurring basis as of March 31, 2018 and 2017:

	Fair Value Measurements as of March 31, 2018			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (Note 2)	$ —	$452,622	$—	$452,622
Foreign exchange forward contracts (Note 9)	—	43,334	—	43,334
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	7,196	67,532	—	74,728
Liabilities:				
Foreign exchange forward contracts (Note 9)	$ —	$ (25,311)	$—	$ (25,311)

	Fair Value Measurements as of March 31, 2017			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (Note 2)	$ —	$1,066,841	$ —	$1,066,841
Foreign exchange forward contracts (Note 9)	—	22,022	—	22,022
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	7,062	52,680	—	59,742
Liabilities:				
Foreign exchange forward contracts (Note 9)	$ —	$ (11,742)	$ —	$ (11,742)
Contingent consideration in connection with acquisitions	—	—	(22,426)	(22,426)

12. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES (Continued)

Other financial instruments

The following table presents the Company's liabilities not carried at fair value as of March 31, 2018 and 2017:

	As of March 31, 2018		As of March 31, 2017		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
	(In thousands)		(In thousands)		
4.625% Notes due February 2020	$ 500,000	$ 513,596	$ 500,000	$ 526,255	Level 1
Term Loan, including current portion, due in installments through November 2021	687,813	689,966	700,000	699,566	Level 1
Term Loan, including current portion, due in installments through June 2022(1)	483,656	485,470	502,500	503,756	Level 1
5.000% Notes due February 2023	500,000	525,292	500,000	534,820	Level 1
4.750% Notes due June 2025	596,387	627,407	595,979	633,114	Level 1
Euro Term Loan due September 2020	59,443	59,443	53,075	53,075	Level 1
Euro Term Loan due January 2022	123,518	123,518	107,357	107,357	Level 1
Total	$2,950,817	$3,024,692	$2,958,911	$3,057,943	

(1) In June 2017, the Company entered into a new agreement that effectively extended the maturity date of the loan from March 31, 2019 to June 30, 2022. Refer to note 8 for further details of the arrangement.

The Term Loans due November 2021 and June 2022, and the Notes due February 2020, February 2023 and June 2025 are valued based on broker trading prices in active markets.

The Company values its Euro Term Loans due September 2020 and January 2022 based on the current market rate, and as of March 31, 2018, the carrying amounts approximate fair values.

13. COMMITMENTS AND CONTINGENCIES

Commitments

As of March 31, 2018 and 2017, the gross carrying amount and associated accumulated depreciation of the Company's property and equipment financed under capital leases, and the related obligations was not material. The Company also leases certain of its facilities and equipment under non-cancelable operating leases. These operating leases expire in various years through 2035 and require the following minimum lease payments:

Fiscal Year Ending March 31,	Operating Lease
	(In thousands)
2019	$119,008
2020	97,476
2021	66,713
2022	54,497
2023	46,861
Thereafter	178,089
Total minimum lease payments	$562,644

Total rent expense amounted to $140.3 million, $124.7 million and $124.2 million in fiscal years 2018, 2017 and 2016, respectively.

Litigation and other legal matters

In connection with the matters described below, the Company has accrued for loss contingencies where it believes that losses are probable and estimable. The Company does not believe that the amounts accrued are material. Although it is reasonably possible that actual losses could be in excess of the Company's accrual, the Company is unable to estimate a reasonably possible loss or range of loss in excess of its accrual, except as

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13. COMMITMENTS AND CONTINGENCIES (Continued)

discussed below, due to various reasons, including, among others, that: (i) the proceedings are in early stages or no claims has been asserted, (ii) specific damages have not been sought in all of these matters, (iii) damages, if asserted, are considered unsupported and/or exaggerated, (iv) there is uncertainty as to the outcome of pending appeals, motions, or settlements, (v) there are significant factual issues to be resolved, and/or (vi) there are novel legal issues or unsettled legal theories presented. Any such excess loss could have a material adverse effect on the Company's results of operations or cash flows for a particular period or on the Company's financial condition.

In addition, the Company provides design and engineering services to its customers and also designs and makes its own products. As a consequence of these activities, its customers are requiring the Company to take responsibility for intellectual property to a greater extent than in its manufacturing and assembly businesses. Although the Company believes that its intellectual property assets and licenses are sufficient for the operation of its business as it currently conduct it, from time to time third parties do assert patent infringement claims against the Company or its customers. If and when third parties make assertions regarding the ownership or right to use intellectual property, the Company could be required to either enter into licensing arrangements or to resolve the issue through litigation. Such license rights might not be available to the Company on commercially acceptable terms, if at all, and any such litigation might not be resolved in its favor. Additionally, litigation could be lengthy and costly and could materially harm the Company's financial condition regardless of the outcome. The Company also could be required to incur substantial costs to redesign a product or re-perform design services.

From time to time, the Company enters into IP licenses (e.g., patent licenses and software licenses) with third parties which obligate the Company to report covered behavior to the licensor and pay license fees to the licensor for certain activities or products, or that enable our use of third party technologies. The Company may also decline to enter into licenses for intellectual property that it does not think is useful for or used in its operations, or for which its customers or suppliers have licenses or have assumed responsibility. Given the diverse and varied nature of its business and the location of its business around the world, certain activities the Company performs, such as providing assembly services in China and India, may fall outside the scope of those licenses or may not be subject to the applicable intellectual property rights. The Company's licensors may disagree and claim royalties are owed for such activities. In addition, the basis (e.g. base price) for any royalty amounts owed are audited by licensors and may be challenged. Some of these disagreements, may lead to claims and litigation that might not be resolved in the Company's favor. Additionally, litigation could be lengthy and costly and could materially harm the Company's financial condition regardless of the outcome. In March 2018, the Company received an inquiry from a licensor referencing a patent license agreement, and requesting information relating to royalties for products that it assembles for a customer in China. If any of these inquiries result in a claim, the Company intends to contest and defend against any such claim vigorously. If a claim is asserted and the Company is unsuccessful in its defense, a material loss is reasonably possible. The Company cannot predict or estimate an amount or reasonable range of outcomes with respect to the matter.

On May 8, 2018, a putative class action was filed in the Northern District of California against the Company and certain officers alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5, promulgated thereunder, alleging misstatements and/or omissions in certain of the Company's financial results, press releases and SEC filings made during the putative class period of January 26, 2017 through April 26, 2018. The deadline for applications for appointment as lead plaintiff is July 9, 2018.

On April 21, 2016, SunEdison, Inc. (together with certain of its subsidiaries, "SunEdison") filed for protection under Chapter 11 of the U.S. Bankruptcy Code. During the fiscal year ended March 31, 2016, the Company recognized a bad debt reserve charge of $61.0 million associated with its outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90.0 million. SunEdison stated in schedules filed with the Bankruptcy Court that, within the 90 days preceding SunEdison's bankruptcy filing, the Company received approximately $98.6 million of inventory and cash transfers of $69.2 million, which in aggregate represents the Company's estimate of the maximum reasonably possible contingent loss. On April 15, 2018, a subsidiary of the Company together with its subsidiaries and affiliates, entered into a tolling agreement with the trustee of the SunEdison Litigation Trust to toll any applicable statute of limitations or other time-related

13. COMMITMENTS AND CONTINGENCIES (Continued)

defense that might exist in regards to any potential claims that either party might be able to assert against the other for a period that will end at the earlier to occur of: (a) 60 days after a party provides written notice of termination; (b) six years from the effective date of April 15, 2018; or (c) such other date as the parties may agree in writing. No preference claims have been asserted against the Company and consideration has been given to the related contingencies based on the facts currently known. The Company has a number of affirmative and direct defenses to any potential claims for recovery and intends to vigorously defend any such claim, if asserted.

One of the Company's Brazilian subsidiaries has received related assessments for certain sales and import taxes. There are six tax assessments totaling 346 million Brazilian reals (approximately USD $104 million based on the exchange rate as of March 31, 2018). The assessments are in various stages of the review process at the administrative level and no tax proceeding has been finalized yet. The Company believes there is no legal basis for these assessments and has meritorious defenses and will continue to vigorously oppose all of these assessments, as well as any future assessments. The Company does not expect final judicial determination on any of these claims for several years.

In addition to the matters discussed above, from time to time, the Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Company defends itself vigorously against any such claims. Although the outcome of these matters is currently not determinable, management expects that any losses that are probable or reasonably possible of being incurred as a result of these matters, which are in excess of amounts already accrued in the Company's consolidated balance sheets, would not be material to the financial statements as a whole.

14. INCOME TAXES

The domestic (Singapore) and foreign components of income before income taxes were comprised of the following:

	Fiscal Year Ended March 31,		
	2018	2017	2016
		(In thousands)	
Domestic	$323,522	$435,709	$199,283
Foreign	197,371	(64,861)	255,392
Total	$520,893	$370,848	$454,675

The provision for income taxes consisted of the following:

	Fiscal Year Ended March 31,		
	2018	2017	2016
		(In thousands)	
Current:			
Domestic	$ 2,894	$ 1,037	$ 56
Foreign	50,889	71,773	74,706
	53,783	72,810	74,762
Deferred:			
Domestic	422	350	3,779
Foreign	38,154	(21,876)	(67,947)
	38,576	(21,526)	(64,168)
Provision for income taxes	$92,359	$ 51,284	$ 10,594

14. INCOME TAXES (Continued)

The domestic statutory income tax rate was approximately 17.0% in fiscal years 2018, 2017 and 2016. The reconciliation of the income tax expense expected based on domestic statutory income tax rates to the expense for income taxes included in the consolidated statements of operations is as follows:

	Fiscal Year Ended March 31,		
	2018	2017	2016
		(In thousands)	
Income taxes based on domestic statutory rates	$ 88,552	$ 63,044	$ 77,295
Effect of tax rate differential	(244,128)	(85,132)	(62,072)
Change in liability for uncertain tax positions	22,180	684	(13,724)
Change in valuation allowance	297,330	78,728	1,049
Recognition of prior year taxes recoverable	(53,757)	—	—
Other	(17,818)	(6,040)	8,046
Provision for income taxes	$ 92,359	$ 51,284	$ 10,594

A number of countries in which the Company is located allow for tax holidays or provide other tax incentives to attract and retain business. In general, these holidays were secured based on the nature, size and location of the Company's operations. The aggregate dollar effect on the Company's income resulting from tax holidays and tax incentives to attract and retain business for the fiscal years ended March 31, 2018, 2017 and 2016 was $21.7 million, $15.5 million and $6.6 million, respectively. For the fiscal year ended March 31, 2018, the effect on basic and diluted earnings per share was $0.04 and $0.04 respectively, and the effect on basic and diluted earnings per share were $0.03 and $0.03 during fiscal year 2017, and $0.01 and $0.01 during fiscal year 2016, respectively. Unless extended or otherwise renegotiated, the Company's existing holidays will expire in the fiscal year ending March 31, 2019 through fiscal year 2027.

We provide a valuation allowance against deferred tax assets that in our estimation are not more likely than not to be realized. During fiscal year 2018, 2017, and 2016 we released valuation allowances totaling $1.3 million, $39.6 million and $63.3 million, respectively. For fiscal year 2018, these valuation allowance releases were primarily related to our operations in Ireland, Mexico and Taiwan as these amounts were deemed to be more likely than not to be realized due to the sustained profitability during the past three fiscal years as well as continued forecasted profitability of those subsidiaries. However, these valuation allowance releases were offset primarily by current period valuation allowance additions due to increased deferred tax assets as a result of current period losses in legal entities with existing full valuation allowance positions. For fiscal years 2018, 2017 and 2016, the offsetting amounts totaled $(65.9) million, $103.9 million and $64.3 million, respectively. Included in these offsets for fiscal year 2018, the Company released $705.3 million of valuation allowance to account for the reduced deferred tax asset as a result of the lower US corporate income tax rate which became effective January 1, 2018. In addition, due to changes with respect to the jurisdiction's tax position during the fiscal year ended March 31, 2018, the Company established a valuation allowance of $364.5 million for a Brazilian subsidiary which did not previously have a valuation allowance recorded.

During fiscal year 2018, the Company recognized an income tax receivable of $53.7 million for prior period taxes paid by one of its Brazilian subsidiaries which was deemed recoverable during the period due to a favorable change in tax law whereby certain incentives are no longer includable in taxable income.

Under its territorial tax system, Singapore generally does not tax foreign sourced income until repatriated to Singapore. The Company has included the effects of Singapore's territorial tax system in the rate differential line above. The tax effect of foreign income not repatriated to Singapore for the fiscal years 2018, 2017 and 2016 were $65.8 million, $67.9 million and $36.6 million, respectively.

Impact of the U.S. Tax Reform

On December 22, 2017, the U.S. President signed the Tax Cuts and Jobs Act (the "Act") into law. Effective January 1, 2018, among other changes, the Act reduces the U.S. federal corporate tax rate to 21 percent, provides

14. INCOME TAXES (Continued)

for a deemed repatriation and taxation at reduced rates of certain non-US subsidiaries owned by U.S. companies' historical earnings (a "transition tax"), and establishes new mechanisms to tax such earnings going forward. Similar to other large multinational companies with complex tax structures, the Act has wide ranging implications for Flex. However, the impact on Flex's financial statements for the twelve-month periods ended March 31, 2018 is immaterial, primarily because the Company has a full valuation allowance on deferred tax assets in the U.S., which results in there being no U.S. deferred tax assets or liabilities recorded on the balance sheet that need to be remeasured at the new 21% rate. Further, the Company expects that the new transition tax will be offset by foreign tax credits or net operating loss carryforwards, and thus will not result in any incremental taxes payable. The Company will continue to analyze the effects of the Act on its financial statements and operations. Any additional impacts from the enactment of the Act will be recorded as they are identified during the measurement period provided for in Staff Bulletin 118.

The components of deferred income taxes are as follows:

	As of March 31, 2018	As of March 31, 2017
	(In thousands)	
Deferred tax liabilities:		
Fixed assets	$ (33,056)	$ (40,324)
Intangible assets	(80,565)	(76,432)
Others	(12,544)	(20,702)
Total deferred tax liabilities	(126,165)	(137,458)
Deferred tax assets:		
Fixed assets	65,155	57,869
Intangible assets	11,237	3,153
Deferred compensation	13,475	19,335
Inventory valuation	6,952	8,489
Provision for doubtful accounts	3,073	2,911
Net operating loss and other carryforwards	2,133,097	2,369,405
Others	236,916	266,367
Total deferred tax assets	2,469,905	2,727,529
Valuation allowances	(2,259,956)	(2,442,105)
Total deferred tax assets, net of valuation allowances	209,949	285,424
Net deferred tax asset	$ 83,784	$ 147,966
The net deferred tax asset is classified as follows:		
Long-term asset	$ 165,319	$ 223,285
Long-term liability	(81,535)	(75,319)
Total	$ 83,784	$ 147,966

Utilization of the Company's deferred tax assets is limited by the future earnings of the Company in the tax jurisdictions in which such deferred assets arose. As a result, management is uncertain as to when or whether these operations will generate sufficient profit to realize any benefit from the deferred tax assets. The valuation allowance provides a reserve against deferred tax assets that are not more likely than not to be realized by the Company. However, management has determined that it is more likely than not that the Company will realize certain of these benefits and, accordingly, has recognized a deferred tax asset from these benefits. The change in valuation allowance is net of certain increases and decreases to prior year losses and other carryforwards that have no current impact on the tax provision.

14. INCOME TAXES (Continued)

The Company has recorded deferred tax assets of approximately $2.2 billion related to tax losses and other carryforwards against which the Company has recorded a valuation allowance for all but $81.3 million of the deferred tax assets. These tax losses and other carryforwards will expire at various dates as follows:

	Expiration dates of deferred tax assets related to operating losses and other carryforwards
	(In thousands)
2019 - 2024	$ 513,828
2025 - 2030	614,307
2031 and post	178,484
Indefinite	852,455
	$2,159,074

The amount of deferred tax assets considered realizable, however, could be reduced or increased in the near-term if facts, including the amount of taxable income or the mix of taxable income between subsidiaries, differ from management's estimates.

The Company does not provide for income taxes on approximately $1.6 billion of undistributed earnings of its subsidiaries which are considered to be indefinitely reinvested outside of Singapore as management has plans for the use of such earnings to fund certain activities outside of Singapore. Determination of the amount of the unrecognized deferred tax liability on these undistributed earnings is not practicable. As of March 31, 2018, we have provided for earnings in foreign subsidiaries that are not considered to be indefinitely reinvested and therefore subject to withholding taxes on $23.1 million of undistributed foreign earnings, recording a deferred tax liability of approximately $1.7 million thereon.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Fiscal Year Ended March 31,	
	2018	2017
	(In thousands)	
Balance, beginning of fiscal year	$203,323	$212,326
Additions based on tax position related to the current year	24,415	29,007
Additions for tax positions of prior years	5,926	9,728
Reductions for tax positions of prior years	(11,936)	(22,065)
Reductions related to lapse of applicable statute of limitations	(9,029)	(13,390)
Settlements	—	(3,684)
Impact from foreign exchange rates fluctuation	14,891	(8,599)
Balance, end of fiscal year	$227,590	$203,323

The Company's unrecognized tax benefits are subject to change over the next twelve months primarily as a result of the expiration of certain statutes of limitations and as audits are settled. The Company believes it is reasonably possible that the total amount of unrecognized tax benefits could decrease by an estimated range of an additional $11 million to $41 million within the next twelve months primarily due to potential settlements of various audits and the expiration of certain statutes of limitations.

The Company and its subsidiaries file federal, state, and local income tax returns in multiple jurisdictions around world. With few exceptions, the Company is no longer subject to income tax examinations by tax authorities for years before 2007.

Of the $227.6 million of unrecognized tax benefits at March 31, 2018, $210.7 million will affect the annual effective tax rate if the benefits are eventually recognized. The amount that doesn't impact the ETR relates to positions that would be settled with a tax loss carryforward previously subject to a valuation allowance.

14. INCOME TAXES (Continued)

The Company recognizes interest and penalties accrued related to unrecognized tax benefits within the Company's tax expense. During the fiscal years ended March 31, 2018, 2017 and 2016, the Company recognized interest and penalty of approximately ($3.3) million and ($1.6) million and $(2.4) million, respectively. The Company had approximately $16.2 million, $12.9 million and $14.6 million accrued for the payment of interest and penalties as of the fiscal years ended March 31, 2018, 2017 and 2016, respectively.

15. RESTRUCTURING CHARGES

Fiscal Year 2018

During fiscal year 2018, the Company initiated targeted restructuring activities focused on optimizing our cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions. Restructuring charges are recorded based upon employee termination dates, site closure and consolidation plans generally in conjunction with an overall corporate initiative to drive cost reduction and realign the Company's global footprint. The Company recognized approximately $78.6 million of cash charges predominantly related to related to employee severance costs and $12.1 million of non-cash charges for asset impairment and other exit charges under the above plan. Of these total charges, approximately $66.8 million was recognized in cost of sales. Employee severance costs were associated with the terminations of 6,203 identified employees. The identified employee terminations by reportable geographic region amounted to approximately 5,336,741 and 126 for the Americas, Asia and Europe, respectively. A majority of the fiscal year 2018 restructuring activities were completed as of March 31, 2018.

Restructuring charges are not included in segment income, as disclosed further in note 20.

The components of the restructuring charges by geographic region incurred in fiscal year 2018 are as follows:

	Second Quarter	Fourth Quarter	Total
		(In thousands)	
Americas:			
Severance	$6,031	$36,973	$43,004
Long-Lived Asset Impairment	—	9,417	9,417
Other Exit Costs	—	11,835	11,835
Total	6,031	58,225	64,256
Asia:			
Severance	1,950	14,590	16,540
Long-Lived Asset Impairment	—	—	—
Other Exit Costs	—	—	—
Total	1,950	14,590	16,540
Europe:			
Severance	—	9,895	9,895
Long-Lived Asset Impairment	—	—	—
Other Exit Costs	—	—	—
Total	—	9,895	9,895
Total			
Severance	7,981	61,458	69,439
Long-Lived Asset Impairment	—	9,417	9,417
Other Exit Costs	—	11,835	11,835
Total restructuring charges	$7,981	$82,710	$90,691

15. RESTRUCTURING CHARGES (Continued)

Fiscal Year 2017

During fiscal year 2017, the Company initiated a restructuring plan to accelerate its ability to support more *Sketch-to-Scale*tm efforts across the Company and reposition away from historical legacy programs and structures through rationalizing its current footprint at existing sites and at corporate SG&A functions. The Company recognized restructuring charges of approximately $49.4 million primarily for employee termination costs under the above plan. Of these total charges, approximately $38.8 million was recognized in cost of sales. Employee severance costs were associated with the terminations of 4,311 identified employees. The identified employee terminations by reportable geographic region amounted to approximately 2,229, 1,988 and 94 for Asia, the Americas and Europe, respectively. All fiscal year 2017 restructuring activities were completed as of March 31, 2017. There were no material restructuring activities during fiscal year 2016.

The components of the restructuring charges by geographic region incurred in fiscal year 2017 were as follows:

	Second Quarter	Third Quarter	Fourth Quarter	Total
		(In thousands)		
Americas:				
Severance	$10,822	$ 6,263	$ 7,623	$24,708
Contractual obligations	—	489	3,353	3,842
Total	10,822	6,752	10,976	28,550
Asia:				
Severance	263	9,701	5,110	15,074
Contractual obligations	—	—	—	—
Total	263	9,701	5,110	15,074
Europe:				
Severance	454	968	1,049	2,471
Contractual obligations	—	—	3,300	3,300
Total	454	968	4,349	5,771
Total				
Severance	11,539	16,932	13,782	42,253
Contractual obligations	—	489	6,653	7,142
Total restructuring charges	$11,539	$17,421	$20,435	$49,395

15. RESTRUCTURING CHARGES (Continued)

The following table summarizes the provisions, respective payments, and remaining accrued balance as of March 31, 2018 for charges incurred in fiscal years 2018, 2017 and 2016 and prior periods:

	Severance	Long-Lived Asset Impairment	Other Exit Costs	Total
Balance as of April 1, 2015	$ 13,363	$ —	$ 1,694	$ 15,057
Cash payments for charges incurred in fiscal year 2016 and prior	(1,458)	—	(359)	(1,817)
Balance as of March 31, 2016	11,905	—	1,335	13,240
Provision for charges incurred in fiscal year 2017	42,253	—	7,142	49,395
Cash payments for charges incurred in fiscal year 2017	(25,894)	—	—	(25,894)
Cash payments for charges incurred in fiscal year 2016 and prior	(11,905)	—	(1,335)	(13,240)
Balance as of March 31, 2017	16,359	—	7,142	23,501
Provision for charges incurred in fiscal year 2018	69,439	9,417	11,835	90,691
Cash payments for charges incurred in fiscal year 2017 and prior	(13,237)	—	(3,671)	(16,908)
Cash payments for charges incurred in fiscal year 2018	(24,555)	—	—	(24,555)
Non-cash charges incurred in fiscal year 2018	—	(9,417)	(1,968)	(11,385)
Balance as of March 31, 2018	48,006	—	13,338	61,344
Less: Current portion (classified as other current liabilities)	48,006	—	13,338	61,344
Accrued restructuring costs, net of current portion (classified as other liabilities)	$ —	$ —	$ —	$ —

16. OTHER CHARGES (INCOME), NET

The fiscal year ended March 31, 2018 includes a $151.6 million gain from the deconsolidation of Elementum, and a $38.7 million gain from the sale of Wink. See note 6 for additional information on the deconsolidation of Elementum and note 2 for additional information on the sale of Wink. The above gains are partially offset by $21.9 million of impairment recognized during fiscal year 2018 for certain non-core investments. No other components of other charges and income, net incurred during fiscal year 2018 were material.

The fiscal year ended March 31, 2017 includes a $7.4 million loss attributable to a non-strategic facility sold during the second quarter of fiscal year 2017. No other components of other charges and income, net incurred during fiscal year 2017 were material.

During fiscal year 2016, the Company incurred net losses of $47.7 million primarily due to a $26.8 million loss on the disposition of a non-strategic Western European manufacturing facility, which included a non-cash foreign currency translation loss of $25.3 million, and a $21.8 million loss from the impairment of a non-core investment offset by immaterial currency translation gains.

17. INTEREST AND OTHER, NET

For the fiscal years ended March 31, 2018, 2017 and 2016, the Company recognized interest income of $18.8 million, $12.1 million and $12.3 million.

For the fiscal years ended March 31, 2018, 2017 and 2016, the Company recognized interest expense of $123.1 million, $108.0 million and $98.0 million, respectively, on its debt obligations outstanding during the period.

17. INTEREST AND OTHER, NET (Continued)

For the fiscal years ended March 31, 2018, 2017 and 2016, the Company recognized gains on foreign exchange transactions of $15.2 million, $16.5 million and $24.4 million, respectively.

For the fiscal years ended March 31, 2018, 2017 and 2016, the Company recognized $25.0 million, $15.3 million and $11.0 million of expense related to its ABS and AR Sales Programs.

18. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES

In March 2018, the Company entered into an agreement with a certain Chinese manufacturing company, to divest its China-based Multek operations, for proceeds of approximately $273 million, net of cash. The planned divestiture does not qualify as discontinued operations, but certain Multek assets and liabilities meet the definition of held for sale as of March 31, 2018. Accordingly, approximately $321.1 million of assets, primarily property and equipment and accounts receivable, were classified as held for sale and included in other current assets, and approximately $144.1 million of liabilities, primarily accounts payables, were classified as held for sale and included in other current liabilities as of March 31, 2018 in the consolidated balance sheet. The Company expects to recognize an immaterial gain on the divestiture upon closing which is expected in the second quarter of fiscal year 2019, subject to customary closing conditions, including regulatory approvals.

The business and asset acquisitions described below were accounted for using the purchase method of accounting, and accordingly, the fair value of the net assets acquired and the results of the acquired businesses were included in the Company's consolidated financial statements from the acquisition dates forward. The Company has not finalized the allocation of the consideration for certain of its recently completed acquisitions and completes these allocations in less than one year of the respective acquisition dates.

Fiscal 2018 Business and asset acquisitions

During the fiscal year ended March 31, 2018, the Company completed two acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operation and cash flows of the Company.

In April 2017, the Company completed its acquisition of AGM, which expanded its capabilities in the automotive market, and is included within the HRS segment. The Company paid $213.7 million, net of cash acquired.

Additionally, in September 2017, the Company acquired a power modules business, which expanded its capabilities within the CEC segment. The Company paid $54.7 million, net of cash acquired.

A summary of the allocation of the total purchase consideration is presented as follows (in thousands):

	Purchase Consideration	Net Tangible Assets Acquired	Purchased Intangible Assets	Goodwill
AGM	$213,718	$56,438	$82,000	$75,280
Power Modules Business	54,659	11,615	33,300	9,744

The intangibles of AGM comprised solely of customer relationships, will amortize over a weighted-average estimated useful life of 10 years. The intangibles of the power modules business, comprised of $16.0 million of customer relationships and $17.3 million of licenses and other intangibles, will amortize over a weighted-average estimated useful life of 10 years and 8 years, respectively.

The results of operations of the acquisitions were included in the Company's consolidated financial results beginning on the respective acquisition dates, and the total amount of net income and revenue, collectively, were immaterial to the Company's consolidated financial results for the fiscal year ended March 31, 2018. Pro-forma results of operations for the acquisitions completed in fiscal year 2018 have not been presented because the effects, individually and in aggregate, were not material to the Company's consolidated financial results for all periods presented.

18. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES (Continued)

Fiscal 2017 Business and asset acquisitions

During the fiscal year ended March 31, 2017, the Company completed four acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operations and cash flows of the Company. Most notable is the Company's acquisition of two manufacturing and development facilities from Bose Corporation ("Bose"), a global leader in audio systems. The acquisition expanded the Company's capabilities in the audio market and is included in the CTG segment. The other acquired businesses strengthen the Company's capabilities in the communications market and energy market within the CEC and IEI segments, respectively. At the acquisition dates, the Company paid a total of $189.1 million, net of cash acquired, of which $161.7 million, net of $18.0 million of cash acquired is related to the Bose acquisition which is included in cash from investing activities in the consolidated statements of cash flows. The Company acquired primarily $73.1 million of inventory, $60.8 million of property and equipment, and recorded goodwill of $63.8 million and intangible assets of $47.4 million principally related to the Bose acquisition. The intangibles will amortize over a weighted-average estimated useful life of 6.5 years. In connection with these acquisitions, the Company assumed $63.3 million in other liabilities including additional consideration of $28.0 million which was paid in the fourth quarter of fiscal year 2017 and included in other financing activities in the consolidated statements of cash flows. Further, the equity incentive plan of one of the acquirees was assumed as part of the acquisition.

The results of operations for each of the acquisitions completed in fiscal year 2017, including the Bose acquisition, were included in the Company's consolidated financial results beginning on the date of each acquisition, and the total amount of net income and revenue of the acquisitions, collectively, were immaterial to the Company's consolidated financial results for the fiscal year ended March 31, 2017. Pro-forma results of operations for the acquisitions completed in fiscal year 2017 were not presented because the effects, individually and in the aggregate, were not material to the Company's consolidated financial results for all periods presented.

Fiscal 2017 Divestitures

During the fiscal year ended March 31, 2017, the Company disposed of two non-strategic businesses within the HRS and IEI segments. The Company received $30.7 million of proceeds, net of an immaterial amount of cash held in one of the divested businesses. The property and equipment and various other assets sold, and liabilities transferred were not material to the Company's consolidated financial results. The loss on disposition was not material to the Company's consolidated financial results, and was included in other charges, net in the condensed consolidated statements of operations for the fiscal year 2017.

Fiscal 2016 Business acquisitions

Acquisition of Mirror Controls International

In June 2015, the Company completed its acquisition of 100% of the outstanding share capital of MCi, and paid approximately $555.2 million, net of $27.7 million of cash acquired. This acquisition expanded the Company's capabilities in the automotive market, and was included in the HRS segment. The allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed was based on their estimated fair values as of the date of acquisition. The excess of the purchase price over the tangible and identifiable intangible assets acquired and liabilities assumed was allocated to goodwill.

The intangible assets of $236.8 million is comprised of customer relationships of $75.5 million and licenses and other intangible assets of $161.3 million. Customer relationships and licenses and other intangibles are each amortized over a weighted-average estimated useful life of 10 years. In addition to net working capital, the Company acquired $38.8 million of machinery and equipment and assumed $61.5 million of other liabilities primarily comprised of deferred tax liabilities. The Company incurred $6.6 million in acquisition-related costs related to the acquisition of MCi during fiscal year 2016.

18. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES (Continued)

Acquisition of a facility from Alcatel-Lucent

In July 2015, the Company acquired an optical transport facility from Alcatel-Lucent for approximately $67.5 million, which expanded its capabilities in the telecom market and was included in the CEC segment. The Company acquired primarily $55.1 million of inventory and $10.0 million of property and equipment primarily comprised of a building and land, and recorded goodwill and intangible assets for a customer relationship of $3.6 million and $2.1 million, respectively, and assumed $3.3 million in other net liabilities in connection with this acquisition. The customer relationship intangible will amortize over a weighted-average estimated useful life of 5 years.

Acquisition of NEXTracker

In September 2015, the Company acquired 100% of the outstanding share capital of NEXTracker, a provider of smart solar tracking solutions. The initial cash consideration was approximately $240.8 million, net of $13.2 million of cash acquired, with an additional $81.0 million of estimated potential contingent consideration, for a total purchase consideration of $321.8 million. At the date of the acquisition, the maximum possible contingent consideration under the agreement was $97.2 million based upon the achievement of future revenue performance targets. The Company also acquired NEXTracker's equity incentive plan. The financial results of NEXTracker were included in the IEI segment. The allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed was based on their estimated fair values as of the date of acquisition. The excess of the purchase price over the tangible and identifiable intangible assets acquired and liabilities assumed was allocated to goodwill.

The intangible assets of $108.7 million is comprised of customer-related intangibles of $47.3 million and licenses and other intangible assets of $61.4 million. Customer-related intangibles are amortized over a weighted-average estimated useful life of 4 years while licenses and other intangibles are amortized over a weighted-average estimated useful life of 6 years.

Other business acquisitions

Additionally, during fiscal year 2016, the Company completed eight acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operations and cash flows of the Company. Four of the acquired businesses expanded the Company's capabilities in the medical devices market, particularly precision plastics and molding within the HRS segment, two of them strengthened capabilities in the consumer electronics market within the CTG segment, one strengthened the capabilities in the communications market within the CEC segment, and the last one strengthened capabilities in the household industrial and lifestyle market within the IEI segment. The Company paid $53.3 million, net of $3.7 million of cash held by the targets. The Company acquired $14.4 million of property and equipment, assumed liabilities of $17.7 million and recorded goodwill and intangibles of $57.4 million. These intangibles will amortize over a weighted-average estimated useful life of 4 years.

The results of operations for all of the acquisitions completed in fiscal year 2016 were included in the Company's consolidated financial results beginning on the date of each acquisition. The total amount of net income for all of the acquisitions completed in fiscal year 2016, collectively, was $41.4 million. The total amount of revenue of these acquisitions, collectively, was not material to the Company's consolidated financial results for the fiscal year 2016.

On a pro-forma basis, and assuming the fiscal year 2016 acquisitions occurred on the first day of the prior period, or April 1, 2014, the Company's net income would have been estimated to be $410.1 million for the fiscal year 2016. The estimated pro-forma net income did not include the $43.0 million tax benefit for the release of the valuation allowance on deferred tax assets primarily relating to the NEXTracker acquisition, recognized in fiscal year 2016, to promote comparability. Pro-forma revenue for the acquisitions in fiscal year 2016 were not presented because the effect, collectively, was not material to the Company's consolidated revenues for fiscal year 2016.

18. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES (Continued)

The Company continues to evaluate certain assets and liabilities related to its acquisition of the power module business completed during fiscal year 2018. Additional information, which existed as of the acquisition date, may become known to the Company during the remainder of the measurement period, a period not to exceed 12 months from the acquisition date. Changes to amounts recorded as assets or liabilities, as a result of such additional information, may result in a corresponding adjustment to goodwill.

19. SHARE REPURCHASE PLAN

During fiscal year 2018, the Company repurchased approximately 10.8 million shares for an aggregate purchase value of approximately $180.0 million under two separate repurchase plans as further discussed below.

During the first and second quarters of fiscal year 2018, the Company repurchased the entire remaining amount, or approximately 5.5 million shares for an aggregate purchase value of approximately $90.1 million, under the share repurchase plan that was approved by the Company's Board of Directors on August 24, 2016 and the Company's shareholders at the 2016 Annual General Meeting. The Company retired all of these shares.

Under the Company's current share repurchase program, the Board of Directors authorized repurchases of its outstanding ordinary shares for up to $500 million in accordance with the share repurchase mandate approved by the Company's shareholders at the date of the most recent Annual General Meeting held on August 15, 2017. During fiscal year 2018, the Company repurchased approximately 5.3 million shares for an aggregate purchase value of approximately $89.9 million under this plan, and retired all of these shares. As of March 31, 2018, shares in the aggregate amount of $410.1 million were available to be repurchased under the current plan.

20. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), or a decision making group, in deciding how to allocate resources and in assessing performance. Resource allocation decisions and the Company's performance are assessed by its Chief Executive Officer ("CEO"), with support from his direct staff who oversee certain operations of the business, collectively identified as the CODM or the decision making group.

The Company has four reportable segments: HRS, CTG, IEI, and CEC. These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the CODM. These segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 1 for a description of the various product categories manufactured under each of these segments.

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, distressed customer charges, contingencies and other, restructuring charges, other charges (income), net and interest and other, net.

Selected financial information by segment is as follows:

	Fiscal Year Ended March 31,		
	2018	2017	2016
		(In thousands)	
Net sales:			
Communications & Enterprise Compute	$ 7,729,350	$ 8,383,420	$ 8,841,642
Consumer Technologies Group	6,969,821	6,362,338	6,997,526
Industrial & Emerging Industries	5,972,496	4,967,738	4,680,718
High Reliability Solutions	4,769,464	4,149,438	3,898,999
	$25,441,131	$23,862,934	$24,418,885

20. SEGMENT REPORTING (Continued)

	Fiscal Year Ended March 31, 2018	2017	2016
		(In thousands)	
Segment income and reconciliation of income before tax:			
Communications & Enterprise Compute	$ 186,335	$ 229,332	$ 265,076
Consumer Technologies Group	111,629	179,910	163,677
Industrial & Emerging Industries	235,422	179,749	157,588
High Reliability Solutions	380,878	334,108	294,635
Corporate and Other	(127,810)	(107,850)	(89,219)
Total income	786,454	815,249	791,757
Reconciling items:			
Intangible amortization	78,640	81,396	65,965
Stock-based compensation	85,244	82,266	77,580
Distressed customers asset impairments(1)	6,251	92,915	61,006
Restructuring charges(2)	90,691	49,395	—
Contingencies and other(3)	51,631	17,704	—
Other charges (income), net	(169,719)	21,193	47,738
Interest and other, net	122,823	99,532	84,793
Income before income taxes	$ 520,893	$ 370,848	$ 454,675

Corporate and other primarily includes corporate services costs that are not included in the CODM's assessment of the performance of each of the identified reporting segments.

(1) During fiscal year 2016, the Company accepted return of previously shipped inventory from a former customer, SunEdison, Inc. ("SunEdison"), of approximately $90 million. On April 21, 2016, SunEdison filed a petition for reorganization under bankruptcy law, and as a result, the Company recognized a bad debt reserve of $61 million as of March 31, 2016, associated with its outstanding SunEdison receivables.

During fiscal year 2017, prices for solar panel modules declined significantly. The Company determined that certain solar panel inventory on hand at the end of the fiscal year 2017 was not fully recoverable and recorded a charge of $60 million to reduce the carrying costs to market in fiscal year 2017. The Company also recognized a $16 million impairment charge for solar module equipment and $17 million primarily related to negative margin sales and other associated direct costs. The total charge of $93 million is included in cost of sales for fiscal year 2017 but is excluded from segment results above.

(2) The Company initiated restructuring plans in fiscal years 2018 and 2017 and incurred charges primarily for employee terminations costs, as well as other asset impairments. These charges are split between cost of sales and selling, general and administration expenses on the Company's consolidated statement of operations, and are excluded from the measurement of the Company's operating segment's performance. Refer to note 15 for more details about our restructuring charges.

(3) During fiscal year 2018, the Company incurred charges in connection with the matters described in note 13 for certain loss contingencies where it believes that losses are probable and estimable; coupled with various other charges predominately related to damages incurred from a typhoon that impacted one of its China facilities. Additionally, certain assets impairments were recorded during both fiscal years 2018 and 2017.

20. SEGMENT REPORTING (Continued)

Property and equipment on a segment basis is not disclosed as it is not separately identified and is not internally reported by segment to the Company's CODM. During fiscal year 2018, 2017 and 2016, depreciation expense included in the segments' measure of operating performance above is as follows:

	Fiscal Year Ended March 31,		
	2018	2017	2016
	(In thousands)		
Depreciation expense			
Communications & Enterprise Compute	$118,150	$133,057	$117,710
Consumer Technologies Group	110,276	110,379	123,139
Industrial & Emerging Industries	75,366	70,814	72,415
High Reliability Solutions	105,065	88,604	80,935
Corporate and Other	25,575	29,384	31,530
Total depreciation expense	$434,432	$432,238	$425,729

Geographic information is as follows:

	Fiscal Year Ended March 31,					
	2018		2017		2016	
	(In thousands)					
Net sales:						
Asia	$11,210,793	44%	$10,962,075	46%	$11,788,992	48%
Americas	9,880,626	39%	8,582,849	36%	8,347,514	34%
Europe	4,349,712	17%	4,318,010	18%	4,282,379	18%
	$25,441,131		$23,862,934		$24,418,885	

Revenues are attributable to the country in which the product is manufactured or service is provided.

During fiscal years 2018, 2017 and 2016, net sales generated from Singapore, the principal country of domicile, were approximately $686.9 million, $595.3 million and $519.1 million, respectively.

During fiscal year 2018, China, Mexico, the United States and Brazil accounted for approximately 29%, 17%, 11% and 10% of consolidated net sales, respectively. No other country accounted for more than 10% of net sales in fiscal year 2018.

During fiscal year 2017, China, Mexico, the United States and Malaysia accounted for approximately 30%, 17%, 11% and 10% of consolidated net sales, respectively. No other country accounted for more than 10% of net sales in fiscal year 2017.

During fiscal year 2016, China, Mexico, and the United States accounted for approximately 35%, 15% and 11% of consolidated net sales, respectively. No other country accounted for more than 10% of net sales in fiscal year 2016.

	As of March 31,			
	2018		2017	
	(In thousands)			
Property and equipment, net:				
Asia	$ 747,314	33%	$ 960,290	41%
Americas	1,012,188	45%	939,888	41%
Europe	480,004	22%	416,848	18%
	$2,239,506		$2,317,026	

As of March 31, 2018 and 2017, property and equipment, net held in Singapore were approximately $12.6 million and $13.2 million, respectively.

20. SEGMENT REPORTING (Continued)

As of March 31, 2018, Mexico, China and the United States accounted for approximately 26%, 22% and 14%, respectively, of property and equipment, net. No other country accounted for more than 10% of property and equipment, net as of March 31, 2018. The decrease in China's property and equipment is primarily driven by assets related to the Company's China-based Multek operations, which were classified as held for sale, as further described in note 18.

As of March 31, 2017, China, Mexico and the United States accounted for approximately 31%, 23% and 13%, respectively, of property and equipment, net. No other country accounted for more than 10% of property and equipment, net as of March 31, 2017.

21. QUARTERLY FINANCIAL DATA (UNAUDITED)

The Company's third fiscal quarter ends on December 31, and the fourth fiscal quarter and year ends on March 31 of each year. The first fiscal quarters of 2018 and 2017 ended on June 30, 2017 and July 1, 2016, respectively, and the second fiscal quarters of 2018 and 2017, ended on September 29, 2017 and September 30, 2016, respectively.

The following table contains unaudited quarterly financial data for fiscal years 2018 and 2017.

	Fiscal Year Ended March 31, 2018				Fiscal Year Ended March 31, 2017			
	First	Second	Third	Fourth(2)	First	Second(3)	Third	Fourth
Net sales	$6,008,272	$6,270,420	$6,751,552	$6,410,887	$5,876,813	$6,008,525	$6,114,999	$5,862,597
Gross profit	406,932	393,325	446,328	349,297	405,995	313,691	416,455	384,804
Net income (loss)(1)	124,710	205,086	118,333	(19,595)	105,729	(2,508)	129,469	86,874
Earnings (losses) per share(4):								
Net income:								
Basic	$ 0.24	$ 0.39	$ 0.22	$ (0.04)	$ 0.19	$ 0.00	$ 0.24	$ 0.16
Diluted	$ 0.23	$ 0.38	$ 0.22	$ (0.04)	$ 0.19	$ 0.00	$ 0.24	$ 0.16

(1) Net income for the first quarter of fiscal year 2018 was affected by a $38.7 million gain recognized for the disposition of Wink. Refer to note 2 for additional information. Net income for the second quarter of fiscal year 2018 was affected by $151.6 million non-cash gain as a result of the deconsolidation of our investment in Elementum. Refer to note 6 for further details on the deconsolidation.

(2) The Company recorded restructuring charges during the fourth quarter of fiscal year 2018. The Company classified approximately $58.9 million of these charges as a component of cost of sales and approximately $23.8 million of these charges as a component of selling, general and administrative expenses. Refer to note 15 for additional information on these charges.

(3) Gross profit and net income for the second quarter of fiscal year 2017 was affected by $92.9 million of SunEdison bankruptcy related charges, as further described in note 2.

(4) Earnings per share are computed independently for each quarter presented; therefore, the sum of the quarterly earnings per share may not equal the total earnings per share amounts for the fiscal year.

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

Not applicable.

ITEM 9A. *CONTROLS AND PROCEDURES*

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of March 31, 2018. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2018, the Company's disclosure controls and procedures were not effective, as a result of the material weaknesses further described below, in ensuring that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Notwithstanding such material weaknesses, which is described below in Management's Report on Internal Control over Financial Reporting, our management has concluded that the consolidated financial statements included in this Form 10-K present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America.

(b) Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a- 15(f) under the Securities Exchange Act of 1934, as amended. Internal control over financial reporting consists of policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) are designed and operated to provide reasonable assurance regarding the reliability of our financial reporting and our process for the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements or prevent or detect instances of fraud. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls may be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of March 31, 2018, under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, an evaluation was conducted of the effectiveness of the Company's internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management's annual assessment of the effectiveness of our internal control over financial reporting as of March 31, 2018 excluded the internal control over financial reporting of one of our acquisitions that was completed during the year ended March 31, 2018, which constitutes less than 1% of both total assets and net sales of the consolidated financial statements amount as of, and for the fiscal year ended March 31, 2018.

(c) Material Weaknesses Identified

Our management concluded that, as of the end of the period covered in this report, material weaknesses existed in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. These deficiencies resulted in a reasonable possibility that a material misstatement in our financial statements will not be prevented or detected on a timely basis and aggregated to material weaknesses in our internal control over financial reporting relating to the accounting for customer contractual obligations and aspects of our control environment and monitoring activities.

We determined that there was insufficient documentation of, and ineffective design of controls over, the accounting for accrued customer obligations related to customer contracts. Factors contributing to this included insufficient training of site and segment operational and accounting personnel, and inadequate monitoring, including contract compliance, to ensure the components of internal control were present and functioning properly. In addition, the control environment was ineffective in ensuring that executive management's expectations of adherence to the Company's policies and standards of conduct were followed at all levels of the Company and in ensuring that any deviations therefrom were identified and corrected in a timely manner.

As a result of these material weaknesses, our management has concluded that we did not maintain effective internal control over financial reporting as of March 31, 2018.

The effectiveness of the Company's internal control over financial reporting as of March 31, 2018 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which appears in this Item under the heading "Report of Independent Registered Public Accounting Firm."

(d) Remediation Efforts to Address Material Weaknesses

Management is committed to the planning and implementation of remediation efforts to address the material weaknesses, as well as to foster continuous improvement in the Company's internal controls. We have undertaken, and will continue to undertake, steps to improve our internal control over financial reporting to address and remediate the material weaknesses. The remediation efforts and actions to address the deficiencies identified above are summarized below. Some of these remediation efforts have been implemented already or are in the process of implementation, and the details to address the material weaknesses and to enhance our overall financial control environment will be finalized over the coming months. Our initiatives include:

- Design and implement additional site level controls related to accounting for customer contractual obligations including criteria for effective contract reviews and approvals and documentation to evidence judgements and estimates.
- Designing and implementing a centralized Contract Management Office to determine the appropriate accounting and provide evidence of review for each material contract.
- Designing and implementing systematic centralized reporting controls that provide enhanced visibility to the accounting for customer contracts, which improve monitoring controls that are designed to prevent or detect material errors and help ensure that proper oversight is being provided related to certain decentralized activities.
- Enhancing the quality and frequency of training across all levels to improve awareness of Company policies and knowledge of the expected standards of conduct.

While this remediation plan is being executed, the Company has also engaged additional external resources to support and supplement the Company's existing internal resources.

Management believes these measures, when fully implemented and operational, will remediate the control deficiencies we have identified and strengthen our internal control over financial reporting. The material weaknesses in our internal control over financial reporting will not be considered remediated until the remediated controls operate for a sufficient period and management has concluded, through testing, that these controls are operating effectively. We are working to have the material weaknesses remediated as soon as possible. As we continue to evaluate and improve our internal control over financial reporting, we may take additional measures to address control deficiencies or modify or change the proposed remediation measures described above.

(e) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fourth quarter ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Flex Ltd.
Singapore

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Flex Ltd. and subsidiaries (the "Company") as of March 31, 2018, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, because of the effect of the material weaknesses identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of March 31, 2018, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended March 31, 2018, of the Company and our report dated June 14, 2018 expressed an unqualified opinion on those financial statements.

As described in Management's Annual Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting of one acquisition completed during the year ended March 31, 2018, which constitutes less than 1% of both assets and net sales of the consolidated financial statements amount as of, and for the fiscal year ended March 31, 2018. Accordingly, our audit did not include the internal control over financial reporting of this acquisition.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations, internal control over financial reporting, may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment: There was insufficient documentation of, and ineffective design of controls over, the accounting for accrued customer obligations related to customer contracts. Factors contributing to this included insufficient training of site and segment operational and accounting personnel, and inadequate monitoring, including of contract compliance, to ensure the components of internal control were present and functioning properly. In addition, the control environment was ineffective in ensuring that executive management's expectations of adherence to the Company's policies and standards of conduct were followed at all levels of the Company and in ensuring that any deviations therefrom were identified and corrected in a timely manner. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018 and this report does not affect our report on such financial statements.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
June 14, 2018

ITEM 9B. *OTHER INFORMATION*

Not applicable.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2018 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 11. *EXECUTIVE COMPENSATION*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2018 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2018 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2018 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 14. *PRINCIPAL ACCOUNTANT FEES AND SERVICES*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2018 Annual General Meeting of Shareholders. Such information is incorporated by reference.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a) Documents filed as part of this annual report on Form 10-K:

1. *Financial Statements.* See Item 8, "Financial Statements and Supplementary Data."

2. *Financial Statement Schedules.* "Schedule II—Valuation and Qualifying Accounts" is included in the financial statements, see Concentration of Credit Risk in Note 2, "Summary of Accounting Policies" of the Notes to Consolidated Financial Statements in Item 8, "Financial Statements and Supplementary Data."

3. *Exhibits.* Reference is made to Item 15(b) below.

(b) *Exhibits.* The Exhibit Index, which immediately precedes the signature page to this annual report on Form 10-K, is incorporated by reference into this annual report on Form 10-K.

(c) *Financial Statement Schedules.* Reference is made to Item 15(a)(2) above.

ITEM 16. *FORM 10-K SUMMARY*

None

EXHIBIT INDEX

		Incorporated by Reference				
Exhibit No.	**Exhibit**	**Form**	**File No.**	**Filing Date**	**Exhibit No.**	**Filed Herewith**
3.01	Constitution of the Registrant	10-Q	000-23354	10-31-16	3.01	
4.01	Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	8-K	000-23354	02-22-13	4.1	
4.02	Form of 4.625% Note due 2020	8-K	000-23354	02-22-13	4.1	
4.03	Form of 5.000% Note due 2023	8-K	000-23354	02-22-13	4.1	
4.04	First Supplemental Indenture, dated as of March 28, 2013, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, to the Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	10-K	000-23354	05-28-13	4.11	
4.05	Second Supplemental Indenture, dated as of August 25, 2014, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, to the Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	10-Q	000-23354	10-30-14	4.01	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
4.06	Third Supplemental Indenture, dated as of September 11, 2015, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	S-4	333-207067	09-22-15	4.11	
4.07	Indenture, dated as of June 8, 2015, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee	8-K	000-23354	06-08-15	4.1	
4.08	Form of 4.750% Note due 2025	8-K	000-23354	06-08-15	4.1	
4.09	First Supplemental Indenture, dated as of September 11, 2015, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.750% Notes due 2025	S-4	333-207067	09-22-15	4.04	
4.10	Credit Agreement, dated as of June 30, 2017, among Flex Ltd. and certain of its subsidiaries, from time to time party thereto, as borrowers, Bank of America, N.A., as Administrative Agent and Swing Line Lender, and the other Lenders party thereto	8-K	000-23354	06-30-17	10.01	
4.11	Term Loan Agreement, dated as of November 30, 2016, among Flex Ltd., as borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent, and the other Lenders party thereto	8-K	000-23354	12-01-16	10.01	
4.12	Amendment No. 1, dated as of July 25, 2017, to Term Loan Agreement, dated as of November 30, 2016, among Flex Ltd., as borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent, and the other Lenders party thereto	10-Q	000-23354	10-30-17	10.01	
10.01	Form of Indemnification Agreement between the Registrant and its Directors and certain officers†	10-K	000-23354	05-20-09	10.01	
10.02	Form of Indemnification Agreement between Flextronics Corporation and Directors and certain officers of the Registrant†	10-K	000-23354	05-20-09	10.02	
10.03	Flex Ltd. 2010 Equity Incentive Plan†	8-K	000-23354	07-28-10	10.01	
10.04	Form of Share Option Award Agreement under 2010 Equity Incentive Plan†	10-Q	000-23354	08-05-10	10.02	
10.05	Form of Restricted Share Unit Award Agreement under 2010 Equity Incentive Plan†	10-Q	000-23354	08-05-10	10.03	
10.06	Flex Ltd. 2017 Equity Incentive Plan†	DEF 14A	000-23354	07-05-17	Annex A	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
10.07	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for time-based vesting awards†	10-Q	000-23354	10-30-17	10.05	
10.08	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for performance-based vesting awards†	10-Q	000-23354	10-30-17	10.06	
10.09	Flextronics International USA, Inc. Third Amended and Restated 2005 Senior Management Deferred Compensation Plan†	10-Q	000-23354	02-06-09	10.02	
10.10	Flextronics International USA, Inc. Third Amended and Restated Senior Executive Deferred Compensation Plan†	10-Q	000-23354	02-06-09	10.01	
10.11	Summary of Directors' Compensation†	10-Q	000.23354	10-30-17	10.02	
10.12	Executive Incentive Compensation Recoupment Policy†	10-Q	000-23354	08-05-10	10.06	
10.13	Francois Barbier Offer Letter, dated as of July 1, 2010†	8-K	000-23354	09-03-10	10.01	
10.14	Francois Barbier Relocation Expenses Addendum, dated as of March 5, 2013†	10-K	000-23354	05-28-13	10.27	
10.15	Francois Barbier Confirmation Date Letter, dated as of August 30, 2010†	8-K	000-23354	09-03-10	10.03	
10.16	Scott Offer Offer Letter dated June 14, 2016†	10-Q	000-23354	08-01-17	10.02	
10.17	2010 Flextronics International USA, Inc. Deferred Compensation Plan†	10-Q	000-23354	11-03-10	10.04	
10.18	Form of Amendment to certain senior executive Restricted Share Unit Agreements under the 2010 Equity Incentive Plan†	10-Q	000-23354	02-04-13	10.02	
10.19	Form of Award Agreement under 2010 Deferred Compensation Plan†	10-Q	000-23354	07-30-12	10.01	
10.20	Summary of Compensation Arrangements of Certain Executive Officers of Flex Ltd.†	10-Q	000-23354	10-30-17	10.03	
10.21	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for time-based vesting awards†	10-Q	000-23354	11-01-13	10.02	
10.22	Form of 2010 Deferred Compensation Plan Award Agreement (performance targets, cliff vesting)†	10-Q	000-23354	08-02-13	10.02	
10.23	Form of 2010 Deferred Compensation Plan Award Agreement (non-performance, periodic vesting, continuing Participant)†	10-Q	000-23354	08-02-13	10.03	
10.24	Award Agreement under the 2010 Deferred Compensation Plan†	10-Q	000-23354	07-28-14	10.01	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Incorporated by Reference Filing Date	Exhibit No.	Filed Herewith
10.25	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for certain executive fiscal year 2015 performance-based awards†	10-Q	000-23354	10-30-14	10.01	
10.26	Description of Annual Incentive Bonus Plan for Fiscal 2018†	10-Q	000-23354	08-01-17	10.03	
10.27	Description of Performance Long Term Incentive Plan for Fiscal 2018†	10-Q	000-23354	08-01-17	10.04	
10.28	NEXTracker Inc. 2014 Equity Incentive Plan†	S-8	333-207325	10-07-15	99.01	
10.29	Form of Elementum Holding Ltd. Restricted Share Purchase Agreement†	10-Q	000-23354	10-26-15	10.02	
10.30	BrightBox Technologies, Inc. 2013 Stock Incentive Plan†	S-8	333-212267	06-27-16	99.01	
21.01	Subsidiaries of Registrant					X
23.01	Consent of Deloitte & Touche LLP					X
24.01	Power of Attorney (included on the signature page to this Form 10-K)					X
31.01	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
31.02	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
32.01	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350*					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Scheme Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X

* This exhibit is furnished with this Annual Report on Form 10-K, is not deemed filed with the Securities and Exchange Commission, and is not incorporated by reference into any filing of Flex Ltd. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.

† Management contract, compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Flex Ltd.

By: /s/ MICHAEL M. MCNAMARA

Michael M. McNamara
Chief Executive Officer

Date: June 14, 2018

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints jointly and severally, Michael M. McNamara and Christopher E. Collier and each one of them, his attorneys-in-fact, each with the power of substitution, for him in any and all capacities, to sign any and all amendments to this Report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ MICHAEL M. MCNAMARA Michael M. McNamara	Chief Executive Officer and Director (Principal Executive Officer)	June 14, 2018
/s/ CHRISTOPHER E. COLLIER Christopher E. Collier	Chief Financial Officer (Principal Financial Officer)	June 14, 2018
/s/ DAVID P. BENNETT David P. Bennett	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	June 14, 2018
/s/ MICHAEL D. CAPELLAS Michael D. Capellas	Chairman of the Board	June 14, 2018
/s/ JENNIFER LI Jennifer Li	Director	June 14, 2018
/s/ MARC A. ONETTO Marc A. Onetto	Director	June 14, 2018
/s/ DANIEL H. SCHULMAN Daniel H. Schulman	Director	June 14, 2018

Signature	Title	Date
/s/ Willy C. Shih, Ph.D. Willy C. Shih, Ph.D.	Director	June 14, 2018
/s/ Lay Koon Tan Lay Koon Tan	Director	June 14, 2018
/s/ William D. Watkins William D. Watkins	Director	June 14, 2018
/s/ Lawrence A. Zimmerman Lawrence A. Zimmerman	Director	June 14, 2018

Shareholder Information

CORPORATE HEADQUARTERS
2 Changi South Lane
Singapore 486123
Tel: +65.6876.9899

ANNUAL GENERAL MEETING
The Annual General Meeting of Shareholders will be held at 9:00 A.M. Pacific time on August 16, 2018. The meeting will be held at:

Flex Ltd.
6201 America Center Drive
San Jose, CA 95002
Tel: +1.408.576.7000

STOCK LISTING
The Company's ordinary shares are traded on the NASDAQ Global Select Market under the symbol FLEX.

WEBSITE
www.flex.com

INVESTOR RELATIONS
For shareholder or investor related inquiries, contact:

Flex Ltd.
Investor Relations
6201 America Center Drive
San Jose, CA 95002
Tel: +1.408.576.7985
Fax: +1.408.576.7106
investors.flex.com

In order to help reduce costs, please report any duplicate mailings of shareholder materials by contacting Investor Relations.

SEC FILINGS
The Company makes available through its Internet website, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the Securities and Exchange Commission. **Upon request, we will furnish without charge to each person to whom this report is delivered a copy of any exhibit listed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2018. You may request a copy of this information at no cost, by writing or telephoning us at our principal U.S. offices at the Investor Relations contact above.**

TRANSFER AGENT AND REGISTRAR
For questions regarding misplaced share certificates, changes of address or the consolidation of accounts, please contact the Company's transfer agent:

Computershare Trust Company NA

First Class, Registered and Certified Mail
Computershare
P.O. Box 505000
Louisville, KY 40233
Shareholder Contact Center: 1.877.373.6374

Overnight Courier
Computershare
462 South 4th Street, Suite 1600
Louisville, KY 40202
Tel: 1.781.575.2879

EXECUTIVE OFFICERS
Michael M. McNamara—*Chief Executive Officer*

Christopher E. Collier—*Chief Financial Officer*

François P. Barbier—*Group President, Global Operations and Components*

David P. Bennett—*Chief Accounting Officer*

Douglas M. Britt—*President, Flex Integrated Solutions*

Paul J. Humphries—*Group President, High Reliability Solutions*

Scott Offer—*Executive Vice President and General Counsel*

DIRECTORS
Michael D. Capellas—*Principal, Capellas Strategic Partners*

Jennifer Li—*Chief Executive Officer and General Managing Director, Changcheng Investment Partners*

Michael M. McNamara—*Chief Executive Officer, Flex Ltd.*

Marc A. Onetto—*Principal, Leadership from the Mind and the Heart LLC*

Daniel H. Schulman—*President and CEO of Paypal Holdings, Inc.*

Dr. Willy C. Shih—*Professor of Management Practice at the Harvard Business School*

Lay Koon Tan—*Former President, Chief Executive Officer and Director, STATS ChipPAC Ltd.*

William D. Watkins—*Former Chairman and Chief Executive Officer, Imergy Power Systems, Inc.*

Lawrence A. Zimmerman—*Former Vice Chairman and Chief Financial Officer, Xerox Corporation*

FORWARD LOOKING STATEMENTS
This annual report, including the letter to our shareholders, may contain "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "will," "may," "designed to," "believe," "should," "anticipate," "plan," "expect," "intend," "estimate" and similar expressions are intended to identify forward-looking statements. While the company may elect to update forward-looking statements in the future, it specifically disclaims its obligation to do so, even if the company's estimates change. A number of factors could cause the results of the company to differ materially from those indicated by such forward-looking statements, including those detailed under the headings "Risk Factors" in Part I, Item 1A and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7, in the accompanying Annual Report on Form 10-K for the fiscal year ended March 31, 2018.

Flex Ltd.
2018 Annual General Meeting of Shareholders
Directions and Parking Information
August 16, 2018
9:00 A.M. Pacific time

The Annual General Meeting of Shareholders will be held at 6201 America Center Dr., San Jose, CA 95002 at 9:00 A.M. Pacific time.

Directions from San Francisco International Airport

- Head North on International Terminal Departures
- Take the ramp to US-101 S
- Keep left at the fork and merge onto US-101 S and continue on US-101 S to Milpitas
- Take the exit onto CA-237 E toward Alviso/Milpitas
- Take the exit toward Lafayette Street
- Turn left onto Great America Parkway
- At the traffic circle, continue straight to stay on America Center Drive
- Destination will be on the left

Directions from Mineta San Jose International Airport

- Head Northwest on Airport Blvd toward Airport Pkwy
- Slight right onto Airport Pkwy
- Turn right onto Matrix Blvd. and then a sharp left onto N. 1st Street
- Slight right to merge onto US-101 N
- Take the Great America Pkwy exit toward Bowers Avenue
- Turn right onto Great America Pkwy and continue onto America Center Drive
- At the traffic circle, continue straight to stay on America Center Drive
- Destination will be on the left

Directions from Oakland International Airport

- Head Southeast the slight left toward Airport Drive
- Continue onto Airport Drive
- Continue onto Bessie Coleman Drive
- Continue onto 98th Avenue then slight right onto I-880 S ramp to San Jose
- Continue onto I-880 S
- Take the CA-237 W exit toward Mountain View and merge onto CA-237 W
- Take the Great America Pkwy exit toward Lafayette Street
- Turn right onto Great America Pkwy and continue onto America Center Drive
- At the traffic circle, continue straight to stay on America Center Drive
- Destination will be on the left

Parking

Flex has reserved parking spaces for shareholders attending the meeting. These spaces will be designated as “Reserved for Flex Shareholders’ Meeting.”

flex

Flex.com