2019 Annual Report

A rich history of global manufacturing

flex

Our Shareholders, Employees, Customers and Partners:

In 1969, Joe and Barbara Ann McKenzie started a family business hand soldering electronic parts onto printed circuit boards to help Silicon Valley startups meet their dynamic capacity needs. These “board stuffers,” as they were known back then, decided to name their small company Flextronics. The McKenzies dreamed of revolutionizing the way electronic products were manufactured, not only in Silicon Valley, but all around the world.

Fifty years later, we may have shortened the company name from Flextronics to Flex, but our list of achievements and milestones over the past five decades is nothing short of remarkable.

Today, we have a broad portfolio of diverse customers, including some of the best-known global brands such as Cisco, Ford, IBM, Johnson & Johnson and Microsoft. From manufacturing early networking equipment and mobile devices for companies like Motorola, Nokia, Juniper and Ericsson to making Palm Pilots, Xboxes, Blackberrys, and HP printers, Flex led the transition from contract manufacturing to value-added Electronic Manufacturing Services (EMS). Our top customers come from more than a dozen different industries, providing us with a unique perspective on many of the fastest growing companies, by industry and by geography.

Flex was one of the first American service manufacturers to go offshore by setting up a manufacturing facility in Singapore. The company was one of the first to innovate with full service industrial parks across Asia and eventually other geographies, to bring suppliers closer to the manufacturing line, and to support emerging “just in time” supply chain needs. Corporate ownership shifted from public to private as markets went through the slumps of the late 80s and early 90s. In 1994, Flex returned to the public markets when it was listed on the Nasdaq. Since 2000, we have grown both organically and by acquisition, having acquired more than 75 companies including some of the biggest and best names in contract manufacturing like Solectron and Dii Group. These acquisitions enabled us to expand our global footprint, our technical and design capabilities, and our strategic customer partnerships.

In 1994, Flex was the 28th ranked EMS provider with around $100 million in revenue and approximately 3,000 employees. Today, Flex is the third largest EMS provider in the world, when measured by revenue, with $26 billion in revenue and more than 200,000 employees. Operating across 100 sites in 30 countries, our global scale gives us the ability to leverage our diverse footprint for the true benefit of our customers. We have also strengthened our value-added service offerings to offer complete *Sketch-to-Scale®* manufacturing and supply chain solutions.

On February 11, 2019, I had the privilege of being named Flex CEO. While I am new to Flex, I am not new to manufacturing services business, having spent my entire 25-year career in the manufacturing and supply chain industry. I began my career on the factory floor as a plant supervisor, rising to the position of President and Chief Operating Officer for the electrical sector business at Eaton, a power management company with more than $20 billion in sales, 102,000 employees, and a market capitalization of $33 billion. I led our sector to deliver high margins and reduce earnings volatility while growing sales to more than $13 billion in 2018.

In my first 100 days at Flex, I have traveled to a dozen of our manufacturing sites and campuses from Guadalajara to Chennai, and from Tczew to Zhuhai, engaging with more than half of our 200,000 strong, global workforce. I have learned so much about our amazing culture and the more I learn about Flex, the deeper my respect grows. The sheer range and volume of the products we manufacture and deliver to all points of the globe speak to our extensive and highly-differentiated set of capabilities.

The core of Flex's business is fundamentally strong. Our global presence and broad geographic distribution is undoubtedly our biggest competitive advantage, especially in today's global trade environment. While there are uncertainties surrounding the current economic and geopolitical landscape, we are keenly focused on our opportunities for growth and delivering on our commitments. We must continue to build on our solid core, leverage our deep expertise and do what we do best, and that is manufacture-at-scale in a highly competitive, effective and efficient way. If we can take the strength of our core, align it with real innovation around the design of products and processes, and thoughtfully invest in targeted parts of our portfolio, the outcome will be sustainable growth, better margins, and stronger results.

I have met and spoken to many of our customers and partners and they acknowledge our unrelenting commitment to customer success and our culture of always putting customers first. They value our partnership and have touted our strength, our competitive positioning, and the opportunities they see for us in growth markets such as autonomous cars, 5G, digital health, and industrial IoT.

We acknowledge that last year was marked by some challenges as the company evolved through organizational and business changes and that our performance did not reflect the true power and potential of Flex. In order to harness this power, we must begin by refocusing on the fundamentals of our business. Moving forward, you will see us drive more consistent, disciplined execution in everything we do. We will communicate realistic expectations and deliver predictable, sustainable results.

Let me briefly recap our performance for fiscal 2019. We grew revenues $865 million or 3% to $26.3 billion, increased adjusted operating income dollars by $86 million or 11% to $872 million, expanded adjusted operating margin to 3.3% from 3.1%, and had a 5% increase in adjusted EPS to $1.14 from $1.09.

Even with the challenges of last year, there were still several positives which should be highlighted. During fiscal year 2019:

- We capitalized on prior year investments, achieving strong bookings in both of our higher margin business groups, HRS and IEI, totaling a combined $4.9 billion.
- We revamped our go-to-market strategy in CEC and experienced strength in both Cloud Data Center and Telecom, driven by both 4G and 5G, which helped return this segment to growth.
- We began the process of rationalizing our CTG business including stabilizing operations in India and exiting our footwear business in Mexico.
- We streamlined our investment portfolio.
- We returned to free cash flow generation in the second half of fiscal 2019.

Going forward, we will invest only in opportunities with strong business cases for consistent returns, and focus on the core with greater discipline on capital spending. We will continue to focus on *Sketch-to-Scale*® opportunities where we can create design and engineering led wins which translate into higher margins and lower risk of substitution.

In Summary

Flex has an incredible, rich history in manufacturing and supply chain solutions. For 50 years, we have worked tirelessly to deliver the most value to our customers globally. Despite the uncertainties of the global economic and geopolitical landscape, technology continues to move forward rapidly, allowing us to further build upon our business.

Going forward, you can expect four things from us:

- First, we will drive consistent disciplined execution around manufacturing performance, margin improvement, and free cash flow generation.
- We will manage our mix by selectively investing in our higher margin segments while being judicious in the markets and products categories we focus on.
- We will pursue *Sketch-to-Scale*® opportunities that grow from design-led innovation to deep manufacturing and supply chain relationships.
- Finally, we will create value for shareholders with a return to strong, free cash flow generation and disciplined capital allocation.

Named one of *Fortune's* Most Admired Companies in the past, Flex is a great company with amazing people. In 2019, we won five Manufacturing Leadership Awards for Sustainability Leadership, Supply Chain Leadership, Enterprise Integration & Technology Leadership and Next-Generation Leadership. At Flex, we work with integrity and believe in the importance of doing business ethically and responsibly. With employees in 30 countries around the world, we know that diversity and inclusion are important to creating a stronger company for the future.

Making a positive social impact through sustainability has also been an essential element of our company mission from the very beginning. We are committed to protecting and promoting a healthier world and building a more sustainable future, whether that is participating in the world's largest corporate sustainability initiative through the UN Global Compact (UNGC), or through our Sinctronics venture with HP, which recycles old printers. In the past two years, we've reduced our greenhouse gas emissions by 4%, reduced our injury rate by 14%, and cut our water usage by 7%.

As for the McKenzies, who in 1969 dreamed of revolutionizing the way electronic products are manufactured all around the world, we would like to simply say, "Thanks to your dream, look at all that we've accomplished." To our 200,000-plus employees, we thank you for your dedication and support for our customers each and every day.

I am honored and energized to share the next chapter of this great company with all of you – our shareholders, customers, employees, and partners.

Sincerely,

Revathi Advaithi
Chief Executive Officer

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

To Our Shareholders:

On August 20, 2019, we will hold two general meetings of our shareholders at our offices located at 6201 America Center Drive, San Jose, CA 95002, U.S.A. We will hold an extraordinary general meeting of shareholders at 9:00 a.m., Pacific time and our 2019 annual general meeting of shareholders will begin at 9:15 a.m., Pacific time, or immediately following the conclusion or adjournment of the extraordinary general meeting.

The matters to be voted upon at each meeting are listed in the notices that follow this letter and are described in more detail in the accompanying joint proxy statement. We urge you to read the entire joint proxy statement carefully before voting. Part I of the accompanying joint proxy statement provides general information about the meetings, Part II describes the proposals to be voted upon at the extraordinary general meeting of shareholders, Part III describes the matters to be voted upon at the 2019 annual general meeting of shareholders and related information, and Part IV provides additional information, including information about our named executive officers and their compensation.

IMPORTANT NOTICE REGARDING ELECTRONIC AVAILABILITY OF JOINT 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 9, 2019, we will mail to 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 joint 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.

IMPORTANT NOTICE REGARDING PROXIES: There are two forms of proxy cards included in our proxy materials—one for the extraordinary general meeting and one for the 2019 annual general meeting. It is very important that shareholders return or complete both proxy cards or provide voting instructions for both proxy cards to ensure that their votes are represented at the relevant meetings.

You may revoke your proxies at any time prior to the time they are voted. Registered shareholders who are present at the meetings 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,

Tay Hong Chin Regina
Company Secretary
Singapore
July 9, 2019

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

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

To Be Held on August 20, 2019

To Our Shareholders:

You are cordially invited to attend, and NOTICE IS HEREBY GIVEN of, an extraordinary 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 20, 2019, for the purpose of approving amendments to the current Constitution of the Company (the "2016 Constitution").

We are asking shareholders to approve amendments to the 2016 Constitution at the extraordinary general meeting in order to, as described in more detail in the accompanying joint proxy statement, to:

1. Remove the requirement that the Company's directors retire by rotation and effect related changes to the 2016 Constitution to account for the removal of the rotational nature of director elections (such amendment is referred to in the joint proxy statement as the "Declassification Amendment") *(EGM Proposal No. 1)*;
2. Increase the maximum size of the Board of Directors to twelve members *(EGM Proposal No. 2)*; and
3. Revise the 2016 Constitution to account for changes in Singapore law *(EGM Proposal No. 3)*.

If the Declassification Amendment is approved, the Declassification Amendment will be effective immediately upon approval and shareholders will have the ability to vote on the re-election of all of the Company's directors at the 2019 annual general meeting of shareholders that will immediately follow the extraordinary general meeting.

Depending on the context, references in this notice and the joint proxy statement to the Company's "Constitution" shall mean the 2016 Constitution or, if shareholders approve any or all of the proposed amendments to the 2016 Constitution at the extraordinary general meeting, the Constitution as so amended.

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

1. To pass the following resolution which will be proposed as a Special Resolution:

   "RESOLVED THAT, Articles 58(c), 90, 94, 95, 97 and 100 of the Constitution of the Company be altered in the manner set out in Annex A-1 as attached hereto."

2. To pass the following resolution which will be proposed as a Special Resolution:

   "RESOLVED THAT, Article 82 of the Constitution of the Company be altered in the manner set out in Annex A-2 as attached hereto."

3. To pass the following resolution which will be proposed as a Special Resolution:

   "RESOLVED THAT, Articles 54 and 116 of the Constitution of the Company be altered in the manner set out in Annex A-3 as attached hereto."

4. To transact any other business which may properly be put before the extraordinary general meeting.

Notes

Eligibility to Vote at Extraordinary General Meeting; Receipt of Notice. The Board of Directors has fixed the close of business on June 14, 2019 as the record date for determining those shareholders of the Company who will be entitled to receive copies of this notice and accompanying joint proxy statement. However, all shareholders of record on August 20, 2019, the date of the extraordinary general meeting, will be entitled to vote at the extraordinary 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 extraordinary 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 joint 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 extraordinary 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. Registered 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 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 extraordinary general meeting of shareholders. On or about July 9, 2019, 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 joint proxy statement and our annual report and to submit their proxies via the Internet.

Personal Data Privacy. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the extraordinary 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 extraordinary general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the extraordinary 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,

Regina

Tay Hong Chin Regina
Company Secretary
Singapore
July 9, 2019

You should read the entire joint 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 joint proxy statement.

Important Notice Regarding the Availability of Proxy Materials for the Extraordinary General Meeting of Shareholders and the 2019 Annual General Meeting of Shareholders to Be Held on August 20, 2019. This notice of the extraordinary general meeting and the accompanying joint proxy statement and our annual report to shareholders are available on our website at *https://investors.flex.com/financials*.

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

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held on August 20, 2019

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 9:15 a.m., Pacific time or immediately following the conclusion or adjournment of the extraordinary general meeting to be held on the same day, August 20, 2019, for the following purposes:

- In the event that the Declassification Amendment is approved by the shareholders at the extraordinary general meeting, to re-elect all of the directors of the Company *(AGM Proposal No. 1)*;
- In the event that the Declassification Amendment is not approved by the shareholders at the extraordinary general meeting, to re-elect the following directors: Revathi Advaithi, Jill A. Greenthal, Charles K. Stevens, III, Willy C. Shih, and William D. Watkins *(AGM Proposal No. 2)*;
- To approve the re-appointment of Deloitte & Touche LLP as our independent auditors for the 2020 fiscal year and to authorize the Board of Directors, upon the recommendation of the Audit Committee, to fix their remuneration *(AGM Proposal No. 3)*;
- To approve a general authorization for the directors of Flex to allot and issue ordinary shares *(AGM Proposal No. 4)*;
- To hold a non-binding, advisory vote on executive compensation *(AGM 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 *(AGM Proposal No. 6)*.

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

As Ordinary Business

1. Subject to and contingent upon the passing of Proposal No. 1 set forth in the Notice of Extraordinary General Meeting dated July 9, 2019 as a Special Resolution to amend the Constitution of the Company to remove the requirement that the Company's directors retire by rotation (the "Declassification Amendment"), to re-elect each of the following directors, who will retire pursuant to Article 94 of our amended Constitution, to the Board of Directors:

   (a) Revathi Advaithi;

   (b) Michael D. Capellas;

   (c) Jill A. Greenthal;

   (d) Jennifer Li;

   (e) Marc A. Onetto;

(f) Willy C. Shih;

(g) Charles K. Stevens, III;

(h) Lay Koon Tan;

(i) William D. Watkins; and

(j) Lawrence A. Zimmerman.

2. In the event that Proposal No. 1 set forth in the Notice of Extraordinary General Meeting dated July 9, 2019 is <u>not passed</u> as a Special Resolution by the shareholders, to re-elect:

each of the following directors, who will retire by rotation pursuant to Article 94 of the 2016 Constitution, to the Board of Directors:

a. Willy C. Shih;

b. William D. Watkins; and

each of the following directors, who will cease to hold office pursuant to Article 100 of the 2016 Constitution, to the Board of Directors:

c. Revathi Advaithi, who was appointed as a director by the Board of Directors effective as of February 11, 2019;

d. Jill A. Greenthal, who was appointed as a director by the Board of Directors effective as of November 14, 2018; and

e. Charles K. Stevens, III, who was appointed as a director by the Board of Directors effective as of November 14, 2018.

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, 2020, 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 ("Ordinary Shares"); and/or

(ii) make or grant offers, agreements, options, performance share units or restricted share units that might or would require Ordinary Shares 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),

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 the Constitution of the Company; and

(b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) allot and issue Ordinary Shares in pursuance of any offer, agreement, option, performance share unit or restricted share unit made or granted by our Directors while this resolution was in force,

and unless revoked or varied by the Company in general meeting, that such authority shall continue in force until (i) the conclusion of our next annual general meeting or (ii) 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 joint 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, at a premium of up to but not greater than 5 percent above the average of the closing price per Ordinary Share over the five trading days before the day on which the purchases are made; 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 2019 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, 2019, 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 joint proxy statement and will not be sought at the 2019 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 14, 2019 as the record date for determining those shareholders of the Company who will be entitled to receive copies of this notice and accompanying joint proxy statement. However, all shareholders of record on August 20, 2019, the date of the 2019 annual general meeting, will be entitled to vote at the 2019 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 2019 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 joint 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 2019 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, which provide, among other things, for the transmission of voting instructions up until 11:59 p.m. Eastern Time the day before the meetings.** You may revoke your proxy at any time prior to the time it is voted. Registered 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 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 9, 2019, we will mail to 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 joint 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 2019 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 2019 annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2019 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 9, 2019

You should read the entire joint 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 joint proxy statement.

Important Notice Regarding the Availability of Proxy Materials for the Extraordinary General Meeting of Shareholders and the 2019 Annual General Meeting of Shareholders to Be Held on August 20, 2019. This notice of the 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 9, 2019, we will mail to 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 joint 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.

SUMMARY INFORMATION ABOUT THE MEETINGS

This summary highlights information contained elsewhere in this joint proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire joint proxy statement carefully before voting. For more complete information regarding the Company's 2019 fiscal year performance, please review the Company's 2019 Annual Report.

Extraordinary General Meeting of Shareholders

Time and Date: 9:00 a.m. Pacific time, August 20, 2019

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

Record Date: June 14, 2019

Voting: All shareholders as of the meeting date are entitled to vote. Each Ordinary Share is entitled to one vote for each of the proposals to be voted on.

Voting Matters at the Extraordinary General Meeting

Proposal Number	Matter	Board Vote Recommendation	Page Reference
EGM Proposal No. 1	Approval of amendments to the 2016 Constitution to remove the requirement that the Company's directors retire by rotation (effectively declassifying the Company's Board) and effect related changes (also referred to as the "Declassification Amendment")	**FOR**	15
EGM Proposal No. 2	Approval of amendments to the 2016 Constitution to increase the maximum number of directors on the Board from eleven to twelve	**FOR**	17
EGM Proposal No. 3	Approval of amendments to the 2016 Constitution to conform to simplified statutory requirements under the Companies Act regarding the timing of annual general meetings and to conform to changes to the Companies Act (Chapter 50) of Singapore that removed the requirement that companies have common seals	**FOR**	17

2019 Annual General Meeting of Shareholders

Time and Date: 9:15 a.m. Pacific time, August 20, 2019, or immediately following the extraordinary general meeting of shareholders

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

Record Date: June 14, 2019

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
AGM Proposal No. 1	If shareholders approve the Declassification Amendment at the extraordinary general meeting, re-election of all of the directors of the Company	**FOR each Director Nominee**	18
AGM Proposal No. 2	If the Declassification Amendment is <u>not</u> so approved by the shareholders at the extraordinary general meeting, re-election as directors of Flex: each of the following directors who are retiring by rotation pursuant to the 2016 Constitution and, being eligible, are standing for re-election: Willy C. Shih William D. Watkins and each of the following directors who will cease to hold office pursuant to the 2016 Constitution and, being eligible, are standing for re-election: Revathi Advaithi Jill A. Greenthal Charles K. Stevens, III	**FOR each Director Nominee**	28
AGM Proposal No. 3	Re-appointment of Deloitte & Touche LLP as our independent auditors for the fiscal year ending March 31, 2020	**FOR**	44
AGM Proposal No. 4	General authorization to allot and issue Ordinary Shares	**FOR**	47
AGM Proposal No. 5	Advisory vote on executive compensation	**FOR**	49
AGM Proposal No. 6	Authorization to repurchase Ordinary Shares	**FOR**	52

How to Cast Your Vote

Your vote is important. You may vote in person at the meetings 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 meetings. 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 meetings, 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 19)

At the extraordinary general meeting immediately preceding Flex's 2019 annual general meeting, we are asking shareholders to approve the Declassification Amendment, which will provide for all directors of the Company for the time being to retire at each annual general meeting and be eligible for re-election.

If the Declassification Amendment is approved by the shareholders at the extraordinary general meeting, all of our directors will retire and will be nominees for reelection at the annual general meeting. The following table provides summary information about each of the Company's directors:

Name	Director Since	Independent (Yes/No)	Committee Memberships	Other Public Company Boards
Revathi Advaithi	2019	No	None	None
Michael D. Capellas	2014	Yes	Nominating and Corporate Governance (Chair)	Cisco Systems, Inc.
Jill A. Greenthal	2018	Yes	None	Akamai Technologies, Inc. Cars.com Inc. Houghton Mifflin Harcourt Company
Jennifer Li	2018	Yes	Compensation	Philip Morris International Inc. ABB Ltd.
Marc Onetto	2014	Yes	Audit	None

Name	Director Since	Independent (Yes/No)	Committee Memberships	Other Public Company Boards
Willy C. Shih	2008	Yes	Compensation	None
Charles K. Stevens, III	2018	Yes	Audit	Masco Corporation
Lay Koon Tan	2012	Yes	Compensation	None
William D. Watkins	2009	Yes	Compensation (Chair) Nominating and Corporate Governance	Maxim Integrated Products, Inc. Avaya Holdings Corp.
Lawrence A. Zimmerman	2012	Yes	Audit (Chair) Nominating and Corporate Governance	Aptiv PLC

If the Declassification Amendment is not approved by our shareholders at the extraordinary general meeting to be held immediately prior to the 2019 annual general meeting, the Company's directors will continue retire by rotation at the 2019 annual general meeting in accordance with the Constitution, and consequently, AGM Proposal No. 1 will be withdrawn and will not be voted upon at the 2019 annual general meeting; instead, AGM Proposal No. 2 will be voted upon, relating to the re-election of the following directors of the Company:

Revathi Advaithi

Jill A. Greenthal

Charles K. Stevens, III

Willy C. Shih

William D. Watkins

BUSINESS SUMMARY

Who We Are and What We Do

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, deliver and manage complete packaged consumer and enterprise products, from medical devices and connected automotive systems to sustainable lighting and cloud data center infrastructures, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

Segment	Business Includes:
High Reliability Solutions (HRS)	• Health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology. • Automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies.
Industrial and Emerging Industries (IEI)	• Energy, including advanced metering infrastructure, energy storage, smart lighting, smart solar energy. • Industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks.
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, and switching products for 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 IoT enabled devices, audio and consumer power electronics, mobile devices. • Various supply chain solutions for consumer, computing and printing devices.

Flex Strategy

Over the past several years, Flex has been engaged in 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, capitalizing on prior investments, streamlining our investment portfolio and returning to strong free cash flow generation.

As we have continued to evolve our portfolio and Sketch-to-Scale® strategy, we remain focused on customer experience, investing in our higher margin segments while being selective in the markets and products categories we focus on, pursuing opportunities that lead to full manufacturing and supply chain relationships, and creating shareholder value.

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. We have expanded our design and engineering relationships through our product innovation centers and global design centers. In fiscal year 2019, the Company continued to take targeted actions to optimize our business, most notably within our CTG segment, where we are executing on our long-term strategy by actively managing under-performing accounts and are focused on partnering with well-funded, leading multi-national brands that control multiple categories of products and have regional demand requirements.

The Company is focused on disciplined sustainable execution on our core business processes as well as selective and disciplined growth in areas that can drive margin improvement and provide value for the Company and its customers. 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.

Fiscal Year 2019 Highlights (page 61)

CEO Transition

In February 2019, Revathi Advaithi became our Chief Executive Officer, or CEO, following the retirement of our former CEO, Michael McNamara in December 2018. Ms. Advaithi brings a depth and breadth of capabilities from engineering to manufacturing to advanced supply chain management, as well as exceptional leadership skills, to the CEO position. Prior to joining Flex, Ms. Advaithi was president and chief operating officer for the Electrical Sector business for Eaton, a power management company. Ms. Advaithi was appointed following an extensive and thorough search led by the Board.

Performance and Company Highlights For Fiscal Year 2019

During fiscal year 2019, we achieved positive results on several fronts, improving the quality of our sales mix, expanding margins, returning to positive free cash flow generation, and streamlining our investment portfolio. Our CEC segment delivered year over year revenue growth of 8% and our IEI segment delivered year over year revenue growth of 4%. Key financial highlights from the fiscal year include[(1)]:

- We achieved net sales of $26.3 billion, an increase of 3% compared to the prior year.
- Adjusted operating income was: $872 million, an 11% increase as compared with fiscal 2018. Adjusted net income followed a similar path and was $603 million, a 3% increase over the previous year.
- We delivered adjusted EPS of $1.14 per share, a 4.6% increase compared with the prior year.
- We delivered on our commitment to return over 50% of free cash flow to shareholders, with $189 million of shares repurchased in fiscal year 2019.

Financial Results Below Expectations and Performance Improvement Actions

While we achieved the positive results described above, fiscal year 2019 was also a challenging year for our business and our shareholders, marked by some financial results below expectations (and shareholder value declined relative to where Flex finished fiscal year 2018) and a CEO transition. In the face of these challenges, the Board of Directors and the Company's management have taken, and will continue to take, significant actions to achieve short-term and long-term financial results positioning the Company for future gains in shareholder value, as summarized below.

- Flex's Chairman of the Board and management team engaged in a business review to identify performance improvement opportunities.
- Flex's Chairman of the Board and management engaged actively with shareholders to solicit input on key concerns and outline Flex's plans for improving performance going forward.

(1) See Annex B to this joint proxy statement for a reconciliation of non-GAAP and GAAP financial measures.

Executive Compensation Highlights (page 62)

Pay and Performance Alignment For Fiscal Year 2019

Our compensation philosophy is to reward above-target performance when achieved, and below target (including paying zero) when targeted results are not delivered. We also seek to deliver a significant portion of executive pay in the form of equity awards, which are directly aligned with value delivered to shareholders.

With fiscal year 2019 performance results below our targeted levels, pay outcomes and expectations for Flex's NEOs were negatively impacted accordingly. Highlights include:

- We maintained all NEOs' base salaries with no increase, other than Mr. Offer, who received a 10% increase in the fourth quarter of fiscal year 2019 based upon exceptional contributions in a period of significant transition and assumption of additional duties. Base salaries were positioned in the aggregate at approximately the peer group median.
- In light of financial performance, the Board, upon the recommendation of the Compensation Committee, reduced PSU and service-based RSU awards granted to the NEOs on June 19, 2018 by 15%.
- Based on overall financial results that were below targeted performance levels, fiscal year 2019 bonuses paid out at approximately 66% of target for corporate level NEOs, with two business unit leaders (Messrs. Humphries and Britt) exceeding total corporate results with payouts at 104.4% and 130.1% of target, respectively, based on strong business unit results.
- We paid out the long-term relative total shareholder return (TSR) PSU cycle that closed during fiscal year 2019 at 100% of target in June 2018 based upon TSR results that were at the 50th percentile over the three-year performance cycle that began in June 2015.
- The Flex fiscal year 2017—2019 FCF PSU and long-term cash incentive cycle did not provide any payout as cumulative FCF results over the three-year period were below the threshold levels.
- Based on Flex's closing share price as of March 29, 2019, the relative TSR award cycles as of the end of fiscal year 2019 (2016—2019, 2017—2020 and 2018—2021) are projected to have no payout unless Flex experiences significant share price improvement going forward.
- In an effort to further align executive compensation with shareholder value delivered, we shifted away from a previous long term incentive plan (LTIP) structure that measured both cumulative FCF over a multi-year period as well as relative TSR. For fiscal year 2019, we granted only relative TSR PSUs.
- We funded the performance-based portion of our then-current NEOs' deferred compensation plans in fiscal year 2019 with a value that averaged 28.6% of our then-current NEOs' respective base salaries, which was below target.
- We provided a responsible CEO retirement package to Mr. McNamara in connection with his retirement that limited exit payments primarily to required plan-based awards.
- To ensure leadership continuity during the CEO transition, we provided retention equity awards to the other NEOs that consist of a combination or performance- and time-based awards. In addition, we implemented a formal, market-aligned, executive severance plan to provide clarity on the treatment of terminations in the event of various forms of departure from the Company.
- We established a compensation approach for our new CEO with a high degree of market alignment and included transition awards that were limited to make-whole values from her previous role. Key elements of the go-forward CEO compensation program include:
  - Base salary of $1,150,000, somewhat below market median.

— Target annual bonus of 150% of salary (a pro-rata portion will be paid at target for her short time in the CEO role during fiscal year 2019).

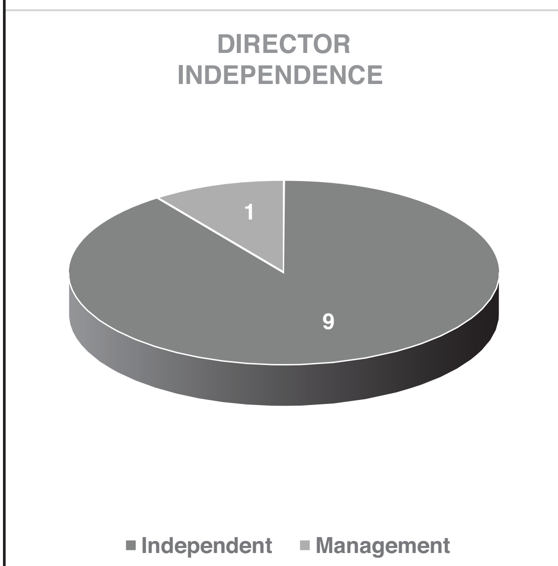
— A fiscal year 2020 equity grant of $7.5 million which will be aligned with the overall Flex executive compensation program and will have 50% of the grant date value in the form of relative TSR PSUs.

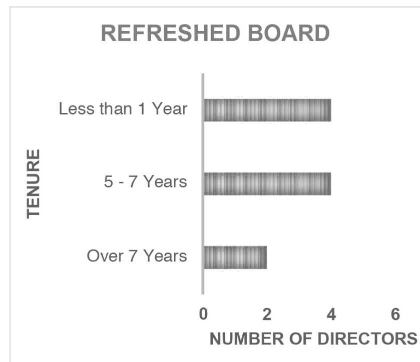
— Resulting target total annual compensation is below the median of Flex's peers.

CORPORATE GOVERNANCE AND SUSTAINABILITY HIGHLIGHTS

Flex strives for excellence in corporate governance practices, which the Company recognizes as being fundamental to securing the trust of investors and key stakeholders. Flex's management, together with our Board of Directors, continually evaluates processes and implements procedures designed to maintain strong governance and operations standards. Below are some of the highlights of the Company's corporate governance practices.

Our Board of Directors





Other Director Independence and Governance Practices
✓ **Separate Chairman and CEO:** The Chairman of the Board is independent, and the Board has separated the roles of Chairman and CEO since 2003.
✓ **Executive Sessions of Independent Directors:** Our independent directors regularly meet in private executive sessions without management present.
✓ **Completely Independent Committee Membership:** All committees of the Board are comprised exclusively of independent directors.
✓ **Board and Committee 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.
✓ **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.
✓ **No Hedging or Pledging:** We do not allow hedging or short sales of Company equity, nor do we permit pledging of Company equity as collateral for loans.

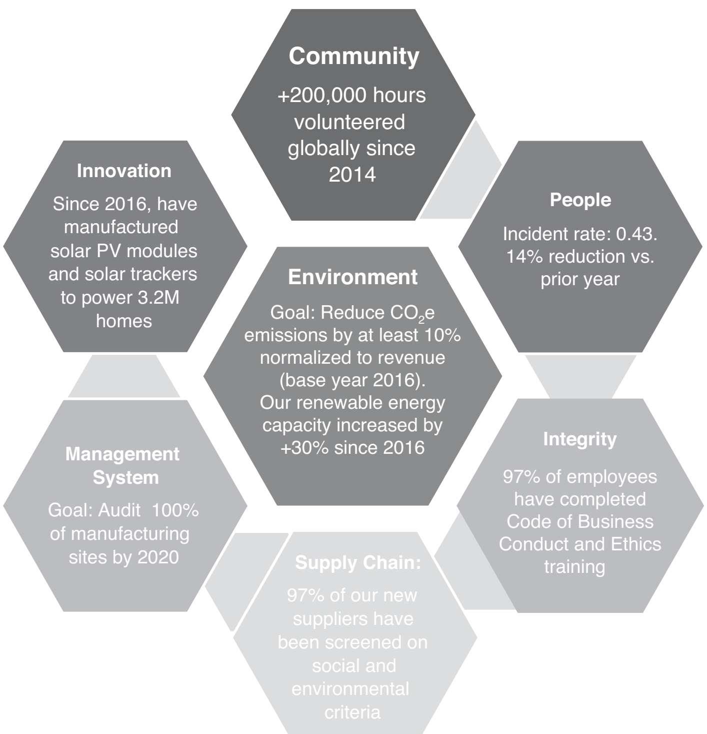
Shareholder Rights and Engagement
✓ **Proposal to De-Classify the Board:** At the extraordinary general meeting, which is to be held immediately preceding our 2019 annual general meeting, we are proposing—and the Board is recommending that shareholders vote in favor of the proposal—to amend Flex's 2016 Constitution to remove the requirement that directors retire by rotation and, instead, have directors elected by shareholders on an annual basis. If this proposal is approved, such amendments to the 2016 Constitution will be effective immediately upon approval and shareholders will vote on the re-election of all of the Company's directors at the 2019 annual general meeting of shareholders that will immediately follow the extraordinary general meeting.
✓ **Majority Vote Standard:** The Company has a majority voting standard for the election of directors.
✓ **Shareholder Engagement:** The Company is committed to ongoing shareholder engagement. During fiscal year 2019, we interacted with holders of approximately 64% of our share voting power.
✓ **Annual Say-on-Pay Vote:** We also provided shareholders with a "say-on-pay" advisory vote on executive compensation at our 2018 annual general meeting held on August 16, 2018.

Flex Sustainability Achievements

Sustainability remains central to who we are and how we operate. Our sustainability governance principles form a core part of our business operations. Through innovation and smart technologies, our sustainable solutions positively impact people and the environment. Our commitment helps customers, partners, and other businesses increase their own efforts to build a more sustainable future.

The Audit Committee of our Board of Directors has oversight of the Corporate Sustainability Program. Sustainability updates are delivered regularly to our executive management team.

We focus our commitments, policies, management system, multiyear goals, programs, and initiatives on five cornerstones that drive sustainability across the Company and our value chain: people, community, environment, innovation, and integrity.



FLEX LTD.

JOINT PROXY STATEMENT

FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

To Be Held on August 20, 2019
9:00 a.m. (Pacific time)

AND THE 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held on August 20, 2019
9:15 a.m. (Pacific time)
(or immediately following the conclusion or adjournment of the extraordinary general meeting)

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

PART I—INFORMATION ABOUT THE MEETINGS

We are furnishing this joint proxy statement in connection with the solicitation by our Board of Directors of proxies to be voted at the extraordinary general meeting of shareholders and the 2019 annual general meeting of our shareholders, or at any adjournments thereof, for the purposes set forth in the notices of the extraordinary general meeting and annual general meeting that accompany this joint proxy statement. Unless the context requires otherwise, references in this joint 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 cards were first mailed on or about July 9, 2019 to shareholders of record as of June 14, 2019.

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 proxies 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 and Principal Executive Office. The mailing address of our registered office, which also constitutes our principal executive office, is No. 2 Changi South Lane, Singapore 486123.

VOTING RIGHTS AND SOLICITATION OF PROXIES

The close of business on June 14, 2019 is the record date for shareholders entitled to notice of the extraordinary general meeting and 2019 annual general meeting. All of the Ordinary Shares issued and outstanding on August 20, 2019, the date of both the extraordinary general meeting and the annual general meeting, are entitled to be voted at each of the extraordinary general meeting and annual general meeting, and shareholders of record on August 20, 2019 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 14, 2019, we had 513,926,093 Ordinary Shares issued and outstanding.

Proxies. Ordinary shares represented by proxies in the forms made available in connection with this joint proxy statement that are properly executed and returned to us will be voted at the extraordinary general meeting and the 2019 annual general meeting, as applicable, 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 each of the extraordinary general meeting and the 2019 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 each of the extraordinary general meeting and 2019 annual general meeting.

- Consistent with the Company's historical practice, the chair of the extraordinary general meeting and the 2019 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 at least three-fourths of the shares voting at the extraordinary general meeting, is required at the extraordinary general meeting, to approve each of the proposed amendments to the 2016 Constitution (set forth in EGM Proposal Nos. 1, 2 and 3 for the extraordinary general meeting).
- The affirmative vote by a simple majority of the votes cast is required at the 2019 annual general meeting, to re-elect the directors nominated pursuant to AGM Proposal No. 1 or 2, to re-appoint Deloitte & Touche LLP as our independent auditors pursuant to AGM Proposal No. 3, to approve the ordinary resolution to allot and issue Ordinary Shares contained in AGM Proposal No. 4, to approve the non-binding, advisory resolution regarding executive compensation contained in AGM Proposal No. 5, and to approve the ordinary resolution to renew the Share Purchase Mandate contained in AGM 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 each of the extraordinary general meeting and the 2019 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 EGM Proposal No. 2 regarding the amendments to the 2016 Constitution to increase the maximum number of directors on the Board, EGM Proposal No. 3 regarding amendments to the 2016 Constitution to conform to simplified statutory requirements under the Companies Act and AGM

Proposal No. 3 regarding 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 joint 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 joint proxy statement other than EGM Proposal No. 2 regarding the amendments to the 2016 Constitution to increase the maximum number of directors on the Board, EGM Proposal No. 3 regarding amendments to the 2016 Constitution to conform to simplified statutory requirements under the Companies Act and AGM Proposal No. 3 regarding 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 extraordinary general meeting "FOR" EGM Proposal Nos. 1, 2 and 3 to approve the specified amendments to the 2016 Constitution at the extraordinary general meeting.

If you are a registered shareholder, in the absence of contrary instructions, shares represented by proxies submitted by you will be voted at the 2019 annual general meeting: "FOR" each of the Board nominees in AGM Proposal No. 1 or 2, as applicable; and "FOR" AGM Proposal Nos. 3 through 6 at the 2019 annual general meeting.

Our management does not know of any matters to be presented at the extraordinary general meeting or the 2019 annual general meeting other than those set forth in this joint proxy statement and in the notices accompanying this joint proxy statement. If other matters should properly be put before either 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 extraordinary general meeting and/or the 2019 annual general meeting by:

- submitting a subsequently dated proxy; or
- by attending the meetings 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 extraordinary general meeting or the 2019 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 joint proxy statement have been presented in U.S. dollars.

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

The Company is seeking shareholder approval of amendments to the 2016 Constitution to (i) remove the requirement that directors retire by rotation (in other words, to remove the provisions under the 2016 Constitution that effectively classify the Board); (ii) increase the maximum number of directors on the Board from eleven to twelve; and (iii) effect certain other changes to conform to recent changes to the Companies Act.

The Board of Directors has unanimously approved and declared advisable, and recommends that our shareholders approve, the following proposals to approve these amendments to the 2016 Constitution.

Approval of any of EGM Proposal No. 1, No. 2 or No. 3 is not conditioned upon the approval of the other proposals.

EGM Proposal No. 1—The Declassification Amendment

The proposed amendments to the 2016 Constitution relating to removing the requirement that the Company's directors retire by rotation are as follows:

- Modification of Article 58(c) to remove the words "whether by rotation or otherwise" with respect to appointing or re-appointing directors to fill vacancies arising at annual general meetings on retirement;
- Modification of Article 90 to provide that a Chief Executive Officer who is a director shall also be subject to the same provisions as to retirement as the other directors, and that a Chief Executive Officer who is also a director shall not automatically cease as Chief Executive Officer if he or she ceases from any cause to be a director, unless the contract or resolution under which he or she holds office shall expressly state otherwise, in which event such determination shall be subject to the provisions of any contract between him or her and the Company;
- Modification of Article 94 to remove the requirement that one-third of directors shall retire from office by rotation and instead require that all directors shall retire and be subject to re-election at each annual general meeting;
- Deletion of the language in Article 95 that specifies the manner to determine the directors retiring by rotation;
- Modification of Article 97 to remove a provision specifying how to determine the retirement by rotation timing for directors appointed as replacements for removed directors; and
- Modification of Article 100 to remove the provision that directors who have been appointed by the Board of Director to fill a casual vacancy or as an additional director must stand for re-election at the next annual general meeting following their appointment and the provision on how to account for the number of directors eligible to retire by rotation at annual general meetings when directors have been appointed by the Board of Director to fill a casual vacancy or as an additional director; such appointed directors shall, pursuant to modified Article 94, retire and be subject to re-election at the next annual general meeting.

The foregoing description of the proposed amendments is qualified by reference to the text of the proposed amendments to the 2016 Constitution, which is shown in *Annex A-1* to this proxy statement. You are urged to read the text of *Annex A-1* in its entirety.

Purpose and Effect of the Proposed Declassification Amendment

Current Board Structure. The Company's 2016 Constitution currently provides for director retirement by rotation, that is, at each annual general meeting, one-third of the Company's directors (or, if the number of directors is not a multiple of three, the number nearest to but not more than one-third) retires by rotation and the directors subject to such retirement by rotation are eligible for re-election at such annual general meeting.

Proposed Changes to Board Structure. The Board is recommending that our shareholders approve the Declassification Amendment, which would have the effect of declassifying our Board in order to allow our shareholders to vote on the election of our directors on an annual basis, rather than on a rotational basis.

Reasons for and Effect of Amendments related to Board Structure. In making the determination to recommend that our shareholders approve the Declassification Amendment, our Board considered a number of factors, including the advantages and disadvantages of our current Board structure, views expressed to the Company during engagement with shareholders, and general corporate governance trends.

The Company has historically maintained its current, retirement by rotation board structure to promote continuity of experience and oversight at the Board level and provide negotiating leverage and encourage a person seeking control of the Company to initiate arm's length discussions with management and the Board, which help the Board focus on the creation of long-term shareholder value.

In reaching its determination to propose the declassification of our Board, our Board concluded that the benefits of a classified structure were outweighed by the following considerations (among others):

- Providing our shareholders with the opportunity to annually elect directors creates an avenue for shareholders to more frequently express their views both on individual directors and on the performance of the Board as a whole;
- Annual director elections also provide shareholders with the means to influence corporate governance policies in a more timely manner;
- Annual director elections further the Company's goals of ensuring that our corporate governance policies conform to best practices and maximize director accountability to our shareholders; and
- The growing sentiment among the investment community in favor of the annual election of all directors.

<u>If our shareholders approve the Declassification Amendment, all of our directors will be subject to annual elections, effective immediately, beginning at the 2019 annual general meeting, which will be held immediately following the extraordinary general meeting. Consequently, all of the Company's directors will be up for re-election by our shareholders at the 2019 annual general meeting pursuant to AGM Proposal No. 1 for such meeting. In that case, AGM Proposal No. 2 for the 2019 annual general meeting (relating to the reelection of directors under the existing provisions of the 2016 Constitution) will be withdrawn and will not be voted upon at the 2019 annual general meeting.</u>

If the Declassification Amendment is <u>not</u> approved by our shareholders, the Company's directors will continue to retire by rotation in accordance with the 2016 Constitution and consequently, AGM Proposal No. 1 for the 2019 annual general meeting, which relates to the re-election of <u>all</u> directors of the Company for the time being, will be withdrawn and not be voted upon at the 2019 annual general meeting; AGM Proposal No. 2 for the 2019 annual general meeting relating to the re-election of the following directors of the Company will, instead, be voted upon at the 2019 annual general meeting:

- Willy C. Shih
- William D. Watkins
- Jill A. Greenthal
- Charles K. Stevens, III
- Revathi Advaithi

EGM Proposal No. 2—Amendment to Increase the Maximum Number of Directors on the Board

The proposed amendment to the 2016 Constitution to increase the maximum number of directors on the Board from eleven to twelve directors is as follows:

- Modification of Article 82 of the 2016 Constitution to provide that the number of directors shall, unless otherwise determined by the Company at a general meeting, not be more than twelve.

The foregoing description of the proposed amendment is qualified by reference to the text of the proposed amendments to the 2016 Constitution, which is shown in *Annex A-2* to this proxy statement. You are urged to read the text of *Annex A-2* in its entirety.

Purpose and Effect of the Proposed Amendment

Size of Board. The Company's 2016 Constitution currently limits the size of the Board to not more than eleven directors.

Proposed Change and Reasons. The Board is recommending that our shareholders approve the amendment to increase the maximum size of the Board to twelve directors in order to give the Board flexibility in considering and appointing additional directors to the Board.

If this amendment is not approved by our shareholders, the size of the Board will remain capped at eleven members unless the Board separately sets forth a proposal to increase the size of the Board by way of an ordinary resolution, for shareholders' approval.

EGM Proposal No. 3—Amendments to Conform to Changes to the Companies Act

The proposed amendments to the 2016 Constitution to conform to recent changes to the Companies Act are as follows:

- Modification of Article 54 of the 2016 Constitution to provide generally that the Company shall hold its annual general meeting in accordance with the provisions of the Companies Act; and
- Modification of Article 116 to provide for the custody and use of the common seal of the Company, where the Company has such seal.

The foregoing description of the proposed amendments is qualified by reference to the text of the proposed amendments to the 2016 Constitution, which is shown in *Annex A-3* to this proxy statement. You are urged to read the text of *Annex A-3* in its entirety.

Purpose and Effect of the Proposed Amendments

The Board is recommending that our shareholders approve amendments to the 2016 Constitution to reflect changes to the Companies Act. The Companies Act previously required that annual general meetings be held the earlier of: (a) fifteen months from the prior annual general meeting; or (b) six months from the company's financial year end. The 2016 Constitution provided that no more than fifteen months should elapse between the date of one annual general meeting and the next. Effective August 31, 2018, the Companies Act requires only that companies hold their annual general meetings six months from their financial year end. We are proposing an amendment to the 2016 Constitution to provide generally that the Company shall hold its annual general meeting in accordance with the provisions of the Companies Act. This amendment will provide the Company with the flexibility to hold annual meetings in accordance with the Companies Act's requirements as such requirements may be amended or modified.

Effective March 31, 2017, the Companies Act was amended such that it was no longer mandatory that companies maintain common seals. We are proposing an amendment to the 2016 Constitution to provide for the custody and use of the common seal of the Company, where the Company has such seal. This change is intended to clarify that the relevant article of the amended Constitution only applies where the Company has such a seal.

The Board recommends a vote "FOR" the approval of the amendments to the 2016 Constitution as set forth in EGM Proposal Nos. 1, 2 and 3.

PART III—PROPOSALS TO BE CONSIDERED AT THE 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS

AGM PROPOSAL NO. 1: RE-ELECTION OF ALL DIRECTORS (IF THE DECLASSIFICATION AMENDMENT IS APPROVED AT THE EXTRAORDINARY GENERAL MEETING)

At the extraordinary general meeting of shareholders immediately preceding the 2019 annual general meeting of shareholders, we are asking shareholders to approve the Declassification Amendment. The approval of the Declassification Amendment will provide for the removal of the requirement that the Company's directors retire by rotation and instead provide for the annual election of all directors, commencing immediately with the 2019 annual general meeting of shareholders that will follow immediately after the extraordinary general meeting.

If our shareholders approve the Declassification Amendment, all of the Company's directors will be up for reelection by our shareholders at the 2019 annual general meeting for a term to expire at the 2020 annual general meeting of the Company, pursuant to AGM Proposal No. 1.

If the shareholders approve the Declassification Amendment, AGM Proposal No. 2 (described below) will be withdrawn and will not be voted upon at the 2019 annual general meeting.

If any nominee under AGM Proposal No. 1 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 Companies Act requires that we must have at all times at least one director ordinarily resident in Singapore. As Mr. Tan is only member of our Board of Directors who is ordinarily resident in Singapore, any purported vacation of Mr. Tan's office at the 2019 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.

The proxy holders intend to vote all proxies received by them in the accompanying form of proxy card for the nominees for directors under AGM Proposal No. 1 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 2019 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 joint proxy statement, our Board of Directors is not aware of any nominee who is unable or will decline to serve as a director.

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 seeking 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 under AGM Proposal No. 1:

Nominees to our Board of Directors

Revathi Advaithi

CEO, Flex Ltd.

Director Since: 2019

Age: 51

Board Committee:

None

Other Public Company Boards:

None

Key Qualifications and Expertise:

- Electrical industry leader
- Deep and highly relevant experience across engineering, operations, supply chain, material procurement, distribution, logistics and international management
- Experience and capabilities ranging from engineering to manufacturing to advanced supply chain management

Ms. Advaithi has served as a member of the Board of Directors and as CEO since February 11, 2019. Prior to joining the Company, Ms. Advaithi was President and Chief Operating Officer, Electrical Sector, of Eaton Corporation plc, a power management company, a position she had held since September 1, 2015. Prior to that, she served as President of Electrical Sector, Americas of Eaton from April 1, 2012 through August 31, 2015. She joined Eaton in 1995 and led the Electrical Sector in the Americas and Asia-Pacific, with a three-year assignment in Shanghai. Between 2002 and 2008, Ms. Advaithi worked at Honeywell, where she held several senior roles within the sourcing and supply chain functions of the aerospace sector before being named vice president and general manager of Honeywell's Field Solutions business in 2006. Ms. Advaithi returned to Eaton in 2008 as vice president and general manager of the Electrical Components Division. Ms. Advaithi currently serves as a non-executive director for the BAE Systems board. She has a bachelor's degree in mechanical engineering from the Birla Institute of Technology and Science in Pilani, India, and an MBA in international business from Thunderbird-Garvin School of International Business in Glendale, Arizona.

Michael D. Capellas, Chairman of the Board

Principal, Capellas Strategic Partners

Director Since: 2014

Age: 64

Board Committee:

Nominating and Corporate Governance Committee (Chair)

Other Public Company Boards:

Cisco Systems, Inc.

Key Qualifications and Expertise:

- Experience in executive roles
- A background of leading global organizations in the technology industry
- Expertise in several valued areas including strategic product development, business development, and finance

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.

Jill A. Greenthal

Senior Advisor in Private Equity of the Blackstone Group

Director Since: 2018

Age: 62

Board Committee:

None

Other Public Company Boards:

Akamai Technologies, Inc.

Cars.com Inc.

Houghton Mifflin Harcourt Company

Key Qualifications and Expertise:

- Extensive experience as an investment banker, which has given her a deep understanding of corporate finance, capital markets and mergers and acquisitions
- Deep experience in working with companies as they have grown their business
- Strong public company board experience

Ms. Greenthal has served as a member of our Board of Directors since November 2018. Ms. Greenthal has served as a Senior Advisor in Private Equity of The Blackstone Group since September 2007. Prior to September 2007, she was a Partner and Senior Managing Director in the Advisory Group at Blackstone. Before joining Blackstone in 2003, she was a member of the Executive Board of Investment Banking at Credit Suisse First Boston. She was the Co-Head of the Boston office at Donaldson, Lufkin and Jenrette before its acquisition by CFSB. Prior to joining DLJ, she was the head of the Media Group at Lehman Brothers. Ms. Greenthal currently serves on the boards of Akamai Technologies, Inc., Cars.com Inc. and Houghton Mifflin Harcourt Company and previously served on the boards of TEGNA Inc. from 2015 to 2017, Orbitz Worldwide from 2007 to 2013 and Michaels Stores from 2011 to 2015. Ms. Greenthal is also a trustee of the Dana-Farber Cancer Institute, the James Beard Foundation and is an Overseer of the Museum of Fine Arts in Boston, Massachusetts. She is a graduate of Simmons College and received an MBA from Harvard Business School.

Jennifer Li

General Partner, Chengcheng Investment Partners

Director Since: 2018

Age: 51

Board Committee:

Compensation Committee

Other Public Company Boards:

ABB Ltd.

Philip Morris International Inc.

Key Qualifications and Expertise:

- A seasoned, global international executive with extensive experience in China, automotive, and multiple technology sectors
- World-class financial, operational, and technology industry experience both internationally and, particularly in China

Ms. Li has served as a member of our Board of Directors since January 2018. Ms. Li currently serves as General Partner of Chengcheng Investment Partners. Previously, she served as Chief Executive Officer and General Managing Director of Baidu Capital, the investment arm of Baidu, Inc. Ms. Li joined Baidu, Inc., the largest Internet search engine in China and the third-largest independent search engine in the world, in 2008, as Chief Financial Officer, responsible for a wide range of corporate functions, including Finance, Human Resources, International Operations, Marketing, Communications and Purchasing. 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 China and Financial Controller of the North American Operations of GMAC. Ms. Li currently serves on the boards of directors of ABB Ltd., Philip Morris International Inc. and The Hongkong and Shanghai Banking Corporation Limited.

Marc A. Onetto

Principal, Leadership from the Mind and the Heart LLC

Director Since: 2014

Age: 68

Board Committee:

Audit Committee

Other Public Company Boards:

None

Key Qualifications and Expertise:

- A seasoned supply chain expert and pioneer
- Extensive experience as an officer of large, complex technology companies
- Significant understanding of the Company's business and industry

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 Business Board of Advisors of the Tepper School of Business at Carnegie-Mellon University.

Willy C. Shih, Ph.D.

Professor of Management Practice, Harvard Business School

Director Since: 2008

Age: 68

Board Committees:

Compensation Committee

Other Public Company Boards:

None

Key Qualifications and Expertise:

- 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
- Experience in teaching and consulting provide him with significant insight into strategic alternatives that are available to technology companies

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.

Charles K. Stevens, III

Former Chief Financial Officer of General Motors

Director Since: 2018

Age: 59

Board Committee:

Audit Committee

Other Public Company Boards:

Masco Corporation

Key Qualifications and Expertise:

- Strong financial expertise as well as extensive experience in the automotive industry, which are invaluable to Flex's automotive business
- Significant leadership experience in financial and accounting operations

Mr. Stevens has served as a member of our Board of Directors since November 2018. Most recently, Mr. Stevens served as an Advisor of General Motors Company between September 2018 and March 2019. Prior to that, Mr. Stevens was the Chief Financial Officer and Executive Vice President of General Motors Company from January 15, 2014 until September, 2018. Mr. Stevens was responsible for leading the financial and accounting operations on a global basis. He served as Chief Financial Officer for North America at General Motors North America, Inc. from January 2010 until 2014. He led GM's financial operations for U.S. Sales, Service and Marketing, GM Canada from 2006 to 2008, GM Mexico from 2008 to 2010, North America Manufacturing, Customer Care and Aftersales and Global Connected Consumer. He also served as Interim Chief Financial Officer of GM South America from December 2011 to January 2013. He previously held leadership positions at GM in China, Singapore, Indonesia and Thailand. He began his career at Buick Motor Division in 1978. Mr. Stevens currently serves on the board of directors of Masco Corp. He received his Bachelor of Industrial Administration from General Motors Institute (now Kettering University) and MBA from the University of Michigan, Flint.

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: 60

Board Committee:

Compensation Committee

Other Public Company Boards:

None

Key Qualifications and Expertise:

- Extensive background in financial and investment matters provides a critical perspective to the Board in these areas
- Executive leadership experience, serving as a chief executive officer and chief financial officer of large international technology-related corporations
- Invaluable operational insight

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.

William D. Watkins

Former Chief Executive Officer of Imergy Power Systems, Inc.

Director Since: 2009

Age: 66

Board Committees:

Compensation Committee (Chair)

Nominating and Corporate Governance Committee

Other Public Company Boards:

Maxim Integrated Products, Inc.

Avaya Holdings Corp.

Key Qualifications and Expertise:

- 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

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 Holdings Corp.

Lawrence A. Zimmerman

Former Vice Chairman and CFO, Xerox Corporation

Director Since: 2012

Age: 76

Board Committees:

Audit Committee (Chair)

Nominating and Corporate Governance Committee

Other Public Company Boards:

Aptiv PLC

Key Qualifications and Expertise:

- 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

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.

The Board recommends a vote "FOR" the re-election of each of the members of our Board of Directors described above (which will be voted upon if the shareholders approve the Declassification Amendment).

AGM PROPOSAL NO. 2: RE-ELECTION OF DIRECTORS (IF THE DECLASSIFICATION AMENDMENT IS NOT APPROVED AT THE EXTRAORDINARY GENERAL MEETING)

In the event our shareholders do not approve the Declassification Amendment at the extraordinary general meeting immediately preceding the 2019 annual general meeting, AGM Proposal No. 1, which relates to the re-election of all of the directors of the Company for the time being, will be withdrawn and not be voted upon at the 2019 annual general meeting; AGM Proposal No. 2 relating to the re-election of the following directors of the Company (whose biographical information is set forth under AGM Proposal No. 1) will, instead, be voted upon at the 2019 annual general meeting:

- Willy C. Shih
- William D. Watkins
- Jill A. Greenthal
- Charles K. Stevens, III
- Revathi Advaithi

In particular, if the Declassification Amendment is not approved at the extraordinary general meeting, the provisions of the 2016 Constitution regarding the retirement of directors by rotation will remain in force and effect, as follows:

- Article 94 of the 2016 Constitution, which 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, will remain in effect.
- Under Article 95 of the 2016 Constitution, the directors to retire in each year pursuant to Article 94 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 would be (unless they otherwise agree among themselves) determined by lot.
- Additionally, under Article 90 of the 2016 Constitution (which will remain in effect if the Declassification Amendment is not approved), 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, Ms. Advaithi, as our Chief Executive Officer and also being one of our directors, would not be 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 the 2016 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. Jill Greenthal and Mr. Charles Stevens would not be taken into account in determining the number of directors required to retire by rotation.

Under the 2016 Constitution, retiring directors are eligible for re-election. Messrs. Shih and Watkins are the members of our Board of Directors who will retire by rotation at our 2019 annual general meeting if the Declassification Amendment is not approved by shareholders. Messrs. Shih and Watkins are eligible for re-election and have been nominated to stand for re-election at the 2019 annual general meeting in the event the Declassification Amendment is not approved by shareholders.

Additionally, Article 100 of the 2016 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, Mses. Advaithi and Greenthal and Mr. Stevens, who were appointed as additional directors by our Board in November 2018 and February 2019, in accordance with

Article 100 of the 2016 Constitution, are eligible for re-election and have been nominated for re-election at the 2019 annual general meeting in the event the Declassification Amendment is not approved by shareholders.

If any nominee under AGM Proposal No. 2 (if the shareholders do not approve the Declassification Amendment) 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 under AGM Proposal No. 2 identified above (if the shareholders do not approve the Declassification Amendment). In the event that any nominee is unable or declines to serve as a director at the time of the 2019 annual general meeting, the proxies will be voted for any nominee who is recommended by the present Board of Directors of the Company to stand for election as a director at the 2019 annual general meeting.

For information about the qualifications of nominees for reelection under AGM Proposal No. 2 (which only will be voted upon if the shareholders do not approve the Declassification Amendment), please see the information under AGM Proposal No. 1 above.

The Board recommends a vote "FOR" the re-election of each of the members of our Board of Directors described above (which only will be voted upon if the shareholders do not approve the Declassification Amendment).

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 13 meetings during fiscal year 2019. During the period for which such director was a director or a committee member, Messrs. Capellas, Onetto, Shih, Tan, Watkins and Zimmerman and Ms. Greenthal attended at least 75% of the aggregate of the total number of meetings of our Board in fiscal year 2019 together with the total number of meetings held by all committees of our Board on which he or she served. Ms. Li and Mr. Stevens attended fewer than 75% of the aggregate of the total number of meetings of our Board in fiscal year 2019 together with the total number of meetings held by all committees of our Board on which he or she served, in the case of Ms. Li, due to unavoidable scheduling conflicts and, in the case of Mr. Stevens, as a result of scheduling conflicts during the five months he served as a director during fiscal year 2019. In fiscal year 2020, the Board has taken additional action to ensure attendance by Board members of at least 75% of all Board and committee meetings. In addition, the Board is reviewing Board attendance throughout the year to ensure attendance compliance.

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 2018 annual general meeting attended the Company's 2018 annual general meeting.

During fiscal year 2019, our non-employee directors met at regularly scheduled executive sessions without management participation.

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 joint proxy statement. Our Board has determined that each of the Company's directors, other than Ms. Advaithi, 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. In particular, in making its determination that Mr. Stevens is an independent director, the Board considered that Mr. Stevens was previously the Chief Financial Officer and Executive Vice President of General Motors Company (a customer of the Company) and was, at the time of his appointment an advisor of General Motors (until March 2019). The Board concluded that such relationship would not impair the independence of Mr. Stevens. 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*.

Proposal to Approve the Declassification Amendment

At the extraordinary general meeting of shareholders immediately preceding the 2019 annual general meeting, we are asking that our shareholders approve the Declassification Amendment to remove the provisions from the 2016 Constitution providing for director retirement by rotation (also referred to as a “classified” board). In the event that the Company’s shareholders approve the Declassification Amendment, the full Board will be subject to annual elections by shareholders.

Board Leadership Structure and Role in Risk Oversight

Our Board of Directors currently consists of ten directors, each of whom, other than Ms. Advaithi, is independent under the Company’s Director Independence Guidelines and the applicable rules of Nasdaq. Ms. Advaithi has served as our Chief Executive Officer, or CEO, and as a member of our Board of Directors, since February 11, 2019. 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 Ms. Advaithi, 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	
Jill A. Greenthal	✓				
Jennifer Li	✓				●
Marc A. Onetto	✓				
Willy C. Shih, Ph.D.	✓		●		●
Charles K. Stevens, III	✓	✓	●		
Lay Koon Tan	✓				●
William D. Watkins	✓			●	C
Lawrence A. Zimmerman	✓	✓	C	●	

● = Committee Member

C = Committee Chair

Audit Committee

The Audit Committee of the Board of Directors is currently composed of Messrs. Onetto, Stevens 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. Additionally, while not currently on the Audit Committee, Mr. Watkins and Ms. Li served on the Audit Committee for a portion of fiscal year 2019. The Board has also determined that each of Messrs. Stevens 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 14 meetings during fiscal year 2019 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. Tan and Watkins, Dr. Shih and Ms. Li, each of whom our Board has determined to be an independent director under the applicable listing standards of Nasdaq. The Compensation Committee held 9 meetings during fiscal year 2019 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 2019 fiscal year compensation review, the Compensation Committee engaged Mercer Human Resources Consulting (referred to in this joint 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 2019 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 2019 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 2019 were approximately $461,000. Additionally, during our 2019 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 2019 were approximately $920,000.

Our Compensation Committee has determined that the provision by MMC of services unrelated to executive and director compensation matters in fiscal year 2019 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 joint 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 2019 fiscal year, Messrs. Tan, Watkins and Dr. Shih served as members of the Compensation Committee (and Ms. Li is also currently a member of the Compensation Committee) and Daniel H. Schulman (who did not stand for reelection at the 2018 annual general meeting) also served as members of the Compensation Committee prior to the 2018 annual general meeting. None of our executive officers served on the Compensation Committee during our 2019 fiscal year. None of our directors (or Mr. Schulman) 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, Watkins and Zimmerman, each of whom our Board has determined to be an independent director under the applicable listing standards of Nasdaq. Additionally, Mr. Schulman served as a member of the Nominating and Corporate Governance Committee until his retirement from the Board at the conclusion of the 2018 annual general meeting. The Nominating and Corporate Governance Committee held 6 meetings during fiscal year 2019 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 2019, 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. Greenthal and Mr. Stevens were identified as potential directors 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 2020 annual general meeting should be made not later than March 12, 2020 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 for the 2019 annual general meeting.

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 2019*."

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.

CORPORATE SUSTAINABILITY

Sustainability remains central to who we are and how we operate. Our sustainability governance principles form a core part of our business operations. Through innovation and smart technologies, our sustainable solutions positively impact people and the environment. Our commitment helps customers, partners, and other businesses increase their own efforts to build a more sustainable future.

Sustainability Governance

The Audit Committee of our Board of Directors has oversight of the Corporate Sustainability Program. Sustainability updates are delivered regularly to our executive management team. The Corporate Sustainability Leadership Committee, a multidisciplinary group comprised by global directors and managers (including operations, customer facing, supply chain, regulatory compliance, metrics and communications managers), meets semi-annually to share information with individuals across various organizations who are directly responsible for implementing sustainability initiatives.

Sustainability Strategy

We focus our commitments, policies, management system, multiyear goals, programs, and initiatives on five cornerstones that drive sustainability across the Company and our value chain: people, community, environment, innovation, and integrity.

People	Community	Environment	Innovation	Integrity
We provide decent work for all Flex employees, respecting their dignity and striving to advance human rights around the world.	We work with nonprofits, community leaders, and governments to promote inclusive and sustainable economic growth, employment, and decent work for all.	We apply appropriate management practices and technology measures to protect the environment, conserve energy and natural resources, and prevent pollution.	Our sustainable solutions positively impact people and the environment.	Our corporate compliance program integrates our obligations and commitment to integrity into our day-to-day business practices.

Our strategy and global efforts, expressed through these sustainability cornerstones and our multi-year Flex 20 by 2020 Goals, are aligned with the principles set forth in the United Nations Global Compact (UNGC), and the 2030 Sustainable Development Goals (“SDGs”). While our global efforts contribute to most of our progress on the SDGs, we have prioritized our efforts and focused on decent work, quality education, clean energy and responsible consumption and production in calendar year 2018.

Social and Environmental Management System

We are achieving social and environmental compliance through a robust management system that consolidates several management systems into one, and incorporates current environmental, labor, human rights, health, safety, ethics, and Responsible Business Alliance requirements.

Supply Chain

We are committed to monitoring and complying continuously with social and environmental requirements across the supply chain. We require our suppliers to have a management system in place to ensure compliance and to mitigate potential risks.

Our Sustainable Solutions

Flex has been improving healthcare for both patients and providers for the last 20 years, by designing, developing and connecting smarter healthcare devices and solutions. NEXTracker, a Flex company, is helping fuel the renewable energy transformation by designing and building some of the most advanced solar trackers and energy storage systems in the industry. Since 2012, Sintronics, a Flex founded company, transforms various waste streams into raw material that can be used to manufacture new products. This restorative and regenerative methodology is one of the key examples of a new economic sector, known as the Circular Economy.

Key Achievements in Calendar Year 2018

People	• We achieved an incident rate equal to 0.43, an annual reduction of 14% with respect to the previous year.
Community	• Since 2014, we have volunteered more than 200,000 hours globally. • We provided financial and emergency response relief to four locations around the globe affected by natural disasters.
Environment	• In six years, as part of our saving energy program, we have manufactured and installed over 113,000 LED light fixtures, reducing 61,000 CO_2e per year. • We have supported the mitigation of over 69,000 CO_2e through certified emission reductions (CERs) of projects in Brazil, China and India. • Since 2016, our renewable energy capacity increased by more than 30%.
Innovation	• Since 2016, we have manufactured enough solar PV modules and solar trackers to power the equivalent of 3.2 million homes.
Integrity	• 97% of our employees completed the Code of Business Conduct and Ethics online training.
Management System	• We have deployed our social and environmental management system across all our sites and 49% of our sites have been audited. Our goal is to audit 100% of our manufacturing sites by 2020.
Supply Chain	• 97% of our new suppliers have been screened on social and environmental criteria.

Further information can be found in our annual sustainability executive and GRI reports, as well as the Flex 20 by 2020 bi-annual report posted in flex.com/about/sustainability.

NON-MANAGEMENT DIRECTORS' COMPENSATION FOR FISCAL YEAR 2019

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 management directors, Mr. McNamara and Ms. Advaithi, for services provided as our CEO, see the sections of this joint 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 2019 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 2019 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 2019, each non-employee director (other than Ms. Greenthal and Mr. Stevens, who received Initial Awards, as described below) received a restricted share unit award covering 13,868 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 2019, each of Ms. Greenthal and Mr. Stevens received a restricted share unit award covering 17,557 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 2019.

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 2018 annual general meeting, our non-executive Chairman of the Board received a restricted share unit award covering 3,748 Ordinary Shares under the equity portion of this program. Additionally, in December 2018, the Chairman received 47,776 restricted share units in recognition of Mr. Capellas's assistance in the CEO transition and onboarding.

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 2019

The following table sets forth the fiscal year 2019 compensation for our non-employee directors.

Name	Fees Earned or Paid in Cash ($)(1)	Share Awards ($)(2)	Total ($)
Michael D. Capellas(3)	—	$799,767	$799,767
Jill A. Greenthal(4)	$ 45,000	$139,754	$184,754
Jennifer Li(5)	$ 59,573	$211,244	$270,817
Marc A. Onetto	$105,000	$184,999	$289,999
Daniel H. Schulman(6)	$ 76,500	—	$ 76,500
Willy C. Shih, Ph.D.	$105,000	$184,999	$289,999
Charles K. Stevens, III(4)	$ 52,500	$139,754	$192,254
Lay Koon Tan(7)	$ —	$289,973	$289,973
William D. Watkins	$141,000	$184,999	$325,999
Lawrence A. Zimmerman	$153,000	$184,999	$337,999

(1) This column represents the amount of cash compensation earned in fiscal year 2019 for Board and committee service.

(2) This column represents the grant date fair value of restricted share unit awards granted in fiscal year 2019 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, 2019, "Share-Based Compensation," included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2019. No option awards were granted in fiscal year 2019.

(3) 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. During fiscal year 2019, Mr. Capellas received 13,693 restricted shares units under the share

election program, the value of which is reflected in the table above under "Share Awards." The "Share Awards" amount for Mr. Capellas reflects the award of 47,776 restricted share units made to Mr. Capellas in December of 2018 in recognition of Mr. Capellas's assistance in the CEO transition.

(4) Ms. Greenthal and Mr. Stevens were appointed to the Board of Directors on November 14, 2018.

(5) In lieu of half of her cash compensation, Ms. Li elected to receive fully vested Ordinary Shares of the Company under the director share election program for her Board and Committee service, earned beginning with the date following the 2018 annual general meeting. During fiscal year 2019, Ms. Li received 2,753 restricted shares units under the share election program, the value of which is reflected in the table above under "Share Awards."

(6) Mr. Schulman retired from the Board of Directors effective as of the conclusion of the 2018 annual general meeting.

(7) In lieu of his cash compensation, Mr. Tan elected to receive fully vested Ordinary Shares of the Company under the director share election program for his Board and Committee service. During fiscal year 2019, Mr. Tan received 8,820 restricted shares units under the share election program, the value of which is reflected in the table above under "Share Awards."

The table below shows the aggregate number of Ordinary Shares underlying unvested restricted share units held by our non-employee directors as of the 2019 fiscal year-end:

Name	Number of Ordinary Shares Underlying Outstanding Restricted Share Units (#)
Michael D. Capellas	65,392
Jill A. Greenthal(1)	17,557
Jennifer Li	13,868
Marc A. Onetto	13,868
Willy C. Shih, Ph.D.	13,868
Charles K. Stevens, III(1)	17,557
Lay Koon Tan	13,868
William D. Watkins	13,868
Lawrence A. Zimmerman	13,868

(1) Ms. Greenthal and Mr. Stevens were appointed to the Board of Directors on November 14, 2018.

The directors do not hold any share options.

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."*

AGM PROPOSAL NO. 3: RE-APPOINTMENT OF INDEPENDENT AUDITORS FOR FISCAL YEAR 2020 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, 2020, 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 2020 annual general meeting. We expect that a representative from Deloitte & Touche LLP will be present at the 2019 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 2019 and 2018. 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	
	2019	2018
	(in millions)	
Audit Fees	$11.1	$10.6
Audit-Related Fees	0.1	0.7
Tax Fees	1.3	0.9
All Other Fees	0.0	0.1
Total	$12.5	$12.3

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 2020 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 2019 were Messrs. Onetto, Stevens, Watkins, and Zimmerman and Ms. Li, 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, 2019, 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, 2019. 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 the applicable rules of the Public Company Accounting Oversight Board and the SEC. 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 2019 and 2018 were pre-approved by the Audit Committee in accordance with established procedures.

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, 2019, which was filed with the SEC on May 21, 2019.

Submitted by the Audit Committee of the Board of Directors:

Lawrence A. Zimmerman
Marc A. Onetto
Charles K. Stevens, III

AGM 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, options or performance share units or restricted share units 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, and unless revoked or varied by the Company in general meeting, the authorization would be effective from the date of the 2019 annual general meeting until the earlier of (i) the conclusion of the 2020 annual general meeting or (ii) the expiration of the period within which the 2020 annual general meeting is required by law to be held. Under the Companies Act, the 2020 annual general meeting is required to be held within six months after the date of our 2020 fiscal year end, (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). Please see the proposal set forth for our extraordinary general meeting of shareholders to be held immediately preceding our 2019 annual general meeting for details on proposed changes to the 2016 Constitution regarding the timing of annual general meetings.

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, options or performance share units or restricted share units 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, performance share units, 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 lower of the closing price or the five-day average closing price of our Ordinary Shares.

Our Board expects that we will continue to issue Ordinary Shares and grant options, performance share unit awards and restricted share unit awards in the future under circumstances similar to those in the past. As of the date of this joint 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.

AGM 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 joint 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 2019

During fiscal year 2019, we achieved positive results on several fronts, improving the quality of our sales mix, expanding margins, returning to positive free cash flow generation, and streamlining our investment portfolio. Our CEC segment delivered year over year revenue growth of 8% and our IEI segment delivered year over year revenue growth of 4%. Key financial highlights from the fiscal year include[2]:

- We achieved net sales of $26.2 billion, an increase of 3% compared to the prior year.
- Adjusted operating income was: $872 million, an 11% increase as compared with fiscal 2018. Adjusted net income followed a similar path and was $603 million, a 3% increase over the previous year.
- We delivered adjusted EPS of $1.14 per share, a 4.6% increase compared with the prior year.
- We delivered on our commitment to return over 50% of free cash flow to shareholders, with $189 million of shares repurchased in fiscal year 2019.

Pay and Performance Alignment For Fiscal Year 2019

Our compensation philosophy is to reward above-target performance when achieved, and below target (including paying zero) when targeted results are not delivered. We also seek to deliver a significant portion of executive pay in the form of equity awards, which are directly aligned with value delivered to shareholders.

(2) See Annex B to this joint proxy statement for a reconciliation of non-GAAP and GAAP financial measures.

With fiscal year 2019 performance results below our targeted levels, pay outcomes and expectations for Flex's NEOs were negatively impacted accordingly. Highlights include:

- We maintained all NEOs' base salaries with no increase, other than Mr. Offer, who received a 10% increase in the fourth quarter of fiscal year 2019 based upon exceptional contributions in a period of significant transition and assumption of additional duties. Base salaries were positioned in the aggregate at approximately the peer group median.
- In light of financial performance, the Board, upon the recommendation of the Compensation Committee, reduced PSU and service-based RSU awards granted to the NEOs on June 19, 2018 by 15%.
- Based on overall financial results that were below targeted performance levels, fiscal year 2019 bonuses paid out at approximately 66% of target for corporate level NEOs, with two business unit leaders (Messrs. Humphries and Britt) exceeding total corporate results with payouts at 104.4% and 130.1% of target, respectively, based on strong business unit results.
- We paid out the long-term relative total shareholder return (TSR) PSU cycle that closed during fiscal year 2019 at 100% of target in June 2018 based upon TSR results that were at the 50th percentile over the three-year performance cycle that began in June 2015.
- The Flex fiscal year 2017 – 2019 FCF PSU and long-term cash incentive cycle did not provide any payout as cumulative FCF results over the three-year period were below the threshold levels.
- Based on Flex's closing share price as of March 29, 2019, the relative TSR award cycles as of the end of fiscal year 2019 (2016 – 2019, 2017 – 2020, and 2018 – 2021) are projected to have no payout unless Flex experiences significant share price improvement going forward.
- In an effort to further align executive compensation with shareholder value delivered, we shifted away from a previous long term incentive plan (LTIP) structure that measured both cumulative FCF over a multi-year period as well as relative TSR. For fiscal year 2019, we granted only relative TSR PSUs.
- We funded the performance-based portion of our then-current NEOs' deferred compensation plans in fiscal year 2019 with a value that averaged 28.6% of our then-current NEOs' respective base salaries, which was below target.
- We provided a responsible CEO retirement package to Mr. McNamara in connection with his retirement that limited exit payments primarily to required plan-based awards.
- To ensure leadership continuity during the CEO transition, we provided retention equity awards to the other NEOs that consist of a combination or performance- and time-based awards. In addition, we implemented a formal, market-aligned, executive severance plan to provide clarity on the treatment of terminations in the event of various forms of departure from the Company.
- We established a compensation approach for our new CEO with a high degree of market alignment and included transition awards that were limited to make-whole values from her previous role. Key elements of the go-forward CEO compensation program include:
  - Base salary of $1,150,000, somewhat below market median.
  - Target annual bonus of 150% of salary (a pro-rata portion will be paid at target for her short time in the CEO role during fiscal year 2019).
  - A fiscal year 2020 equity grant of $7.5 million which will be aligned with the overall Flex executive compensation program and will have 50% of the grant date value in the form of relative TSR PSUs.
  - Resulting target total annual compensation is below the median of Flex's peers.

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. Flex initiated an elevated level of shareholder outreach in fiscal year 2019. During fiscal year 2019, we interacted with holders of approximately 64% of our share voting power. We proposed a "say-on-pay" advisory vote on executive compensation at our 2018 annual general meeting held on August 16, 2018. The advisory vote received the support of approximately 85% of the votes cast at the 2018 annual general meeting. Based on both the outcome of the "say-on-pay advisory vote" and our 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 are focused on tightly managing our overall share grant levels relative to performance delivered, which we have done and will continue to do (see the section entitled "*Responsible Share Granting Approach*" below). We took pro-active steps to reduce fiscal year 2019 equity grant levels for NEOs based various factors, and our pay programs continue to align pay and performance as demonstrated by our performance-based long-term incentive programs projecting no payouts for current in-process award cycles. Based on our favorable prior "say-on-pay" results, shareholder feedback on existing programs, and our review of the alignment of our pay program design with our financial results, we continued the structure of our fiscal year 2018 compensation programs in fiscal year 2019. The most significant change made was to improve alignment with shareholders, where 100% of our performance-based long-term incentive awards now measure relative TSR versus the S&P 500. Going forward, we will continue to evaluate our alignment between our compensation strategy and our business objectives and financial results, with a strong focus on ensuring that the pay programs reinforce the need to achieve strong performance levels and shareholder value growth.

We urge shareholders to carefully read the Compensation Discussion and Analysis section of this joint 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.

AGM 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 joint 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 2018, the Share Purchase Mandate renewed at the annual general meeting will expire on the date of the 2019 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 16, 2018. On August 16, 2018, the Board authorized the repurchase of up to an aggregate of $500 million of Ordinary Shares of the Company. Until the 2019 annual general meeting, any repurchases would be made under the Share Purchase Mandate renewed at the annual general meeting held in 2018. Commencing on the date of the 2019 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 May 14, 2019, subject to the approval of this Share Repurchase Mandate by the shareholders at the 2019 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 2020 annual general meeting or the date by which the 2020 annual general meeting is required by law to be held. The 2020 annual general meeting is required to be held under the Companies Act within six months after the date of our 2020 fiscal year end (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). Please see the proposal set forth for our extraordinary general meeting of shareholders to be held immediately preceding our 2019 annual general meeting for details on proposed changes to the 2016 Constitution (the Company’s existing Constitution) regarding the timing of annual general meetings.

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 that 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 that are held as treasury shares as at that date).

Purely for illustrative purposes, on the basis of 513,926,093 issued Ordinary Shares outstanding as of June 14, 2019, 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 102,785,219 issued Ordinary Shares pursuant to the proposed renewal of the Share Purchase Mandate.

During fiscal year 2019, we repurchased approximately 17.7 million shares for an approximate aggregate purchase value of $189 million under the Share Purchase Mandate and retired all of these shares. As of June 14, 2019, we had 513,926,093 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, 105 percent of the average of the closing price per ordinary share over the five consecutive trading days on which our ordinary shares are traded 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, immediately preceding the date on which we effect 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 IV—ADDITIONAL INFORMATION

EXECUTIVE OFFICERS

The names, ages and positions of our executive officers as of June 14, 2019 are as follows:

Name	Age	Position
Revathi Advaithi	51	Chief Executive Officer
Christopher E. Collier	51	Chief Financial Officer
Francois P. Barbier	60	President, Global Operations and Components
Scott Offer	54	Executive Vice President and General Counsel
Paul J. Humphries	64	President, High Reliability Solutions
Douglas M. Britt	54	President, Flex Integrated Solutions
David P. Bennett	49	Chief Accounting Officer

Revathi Advaithi. Ms. Advaithi has served as our Chief Executive Officer since February 11, 2019. Prior to joining the Company, Ms. Advaithi was President and Chief Operating Officer, Electrical Sector, of Eaton Corporation plc, a power management company, a position she had held since September 1, 2015. Prior to that, she served as President of Electrical Sector, Americas of Eaton from April 1, 2012 through August 31, 2015. She joined Eaton in 1995 and led the Electrical Sector in the Americas and Asia-Pacific, with a three-year assignment in Shanghai. Between 2002 and 2008, Ms. Advaithi worked at Honeywell, where she held several senior roles within the sourcing and supply chain functions of the aerospace sector before being named vice president and general manager of Honeywell's Field Solutions business in 2006. Ms. Advaithi returned to Eaton in 2008 as vice president and general manager of the Electrical Components Division. Ms. Advaithi currently serves as a non-executive director for the BAE Systems board. She has a bachelor's degree in mechanical engineering from the Birla Institute of Technology and Science in Pilani, India, and an MBA in international business from Thunderbird-Garvin School of International Business in Glendale, Arizona.

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 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 also serves as a director of Sun Hydraulics Corporation, doing business as Helios Technologies. 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 joint proxy statement for the extraordinary general meeting of shareholders and 2019 annual general meeting of shareholders.

Submitted by the Compensation Committee of the Board of Directors:

William D. Watkins
Jennifer Li
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 2019 compensation of our NEOs is provided in the Summary Compensation Table and other compensation tables in this joint proxy statement. Our NEOs for fiscal year 2019 are:

Name	Position
Revathi Advaithi	Chief Executive Officer(1)
Michael M. McNamara	Former Chief Executive Officer(2)
Christopher Collier	Chief Financial Officer
Francois P. Barbier	President, Global Operations and Components
Douglas Britt	President, Flex Integrated Solutions
Paul Humphries	President, High Reliability Solutions
Scott Offer	Executive Vice President and General Counsel and Former Acting Chief Executive Officer(3)

(1) Ms. Advaithi was appointed as Chief Executive Officer effective February 11, 2019.

(2) Mr. McNamara retired from his position of Chief Executive Officer effective December 31, 2018.

(3) Mr. Offer served as Acting Chief Executive Officer from February 5, 2019 until February 11, 2019.

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

- Executive Summary;
- Compensation Philosophy;
- Compensation Setting Process and Decisions for Fiscal Year 2019; and
- Fiscal Year 2019 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, deliver and manage complete packaged consumer and enterprise products, from medical devices and connected automotive systems to sustainable lighting and cloud data center infrastructures, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

Segment	Business Includes:
High Reliability Solutions (HRS)	• Health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology. • Automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies.

Segment	Business Includes:
Industrial and Emerging Industries (IEI)	• Energy, including advanced metering infrastructure, energy storage, smart lighting, smart solar energy. • Industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks.
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, and switching products for 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 IoT enabled devices, audio and consumer power electronics, mobile devices. • Various supply chain solutions for consumer, computing and printing devices.

Flex Strategy

Over the past several years, Flex has been engaged in 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, capitalizing on prior investments, streamlining our investment portfolio and returning to strong free cash flow generation.

As we have continued to evolve our portfolio and *Sketch-to-Scale*® strategy, we remain focused on customer experience, investing in our higher margin segments while being selective in the markets and products categories we focus on, pursuing opportunities that lead to full manufacturing and supply chain relationships, and creating shareholder value.

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. We have expanded our design and engineering relationships through our product innovation centers and global design centers. In fiscal year 2019, the Company continued to take targeted actions to optimize our business, most notably within our CTG segment, where we are executing on our long-term strategy by actively managing under-performing accounts and are focused on partnering with well-funded, leading multi-national brands that control multiple categories of products and have regional demand requirements.

The Company is focused on disciplined sustainable execution on our core business processes as well as selective and disciplined growth in areas that can drive margin improvement and provide value for the Company and its customers. 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.

Performance and Company Highlights For Fiscal Year 2019

During fiscal year 2019, we achieved positive results on several fronts, improving the quality of our sales mix, expanding margins, returning to positive free cash flow generation, and streamlining our investment portfolio. Our CEC segment delivered year over year revenue growth of 8% and our IEI segment delivered year over year revenue growth of 4%. Key financial highlights from the fiscal year include[3]:

- We achieved net sales of $26.2 billion, an increase of 3% compared to the prior year.
- Adjusted operating income was: $872 million, an 11% increase as compared with fiscal 2018. Adjusted net income followed a similar path and was $603 million, a 3% increase over the previous year.
- We delivered adjusted EPS of $1.14 per share, a 4.6% increase compared with the prior year.
- We delivered on our commitment to return over 50% of free cash flow to shareholders, with $189 million of shares repurchased in fiscal year 2019.

Financial Results Below Expectations and Performance Improvement Actions

While we achieved the positive results described above, fiscal year 2019 was also a challenging year for our business and our shareholders, marked by some financial results below expectations (and shareholder value declined relative to where Flex finished fiscal year 2018) and a CEO transition. In the face of these challenges, the Board of Directors and the Company's management have taken, and will continue to take, significant actions to achieve short-term and long-term financial results positioning the Company for future gains in shareholder value, as summarized below.

- Flex's Chairman of the Board and management team engaged in a business review to identify performance improvement opportunities.
- Flex's Chairman of the Board and management engaged actively with shareholders to solicit input on key concerns and outline Flex's plans for improving performance going forward.

Pay and Performance Alignment For Fiscal Year 2019

Our compensation philosophy is to reward above-target performance when achieved, and below target (including paying zero) when targeted results are not delivered. We also seek to deliver a significant portion of executive pay in the form of equity awards, which are directly aligned with value delivered to shareholders.

With fiscal year 2019 performance results below our targeted levels, pay outcomes and expectations for Flex's NEOs were negatively impacted accordingly. Highlights include:

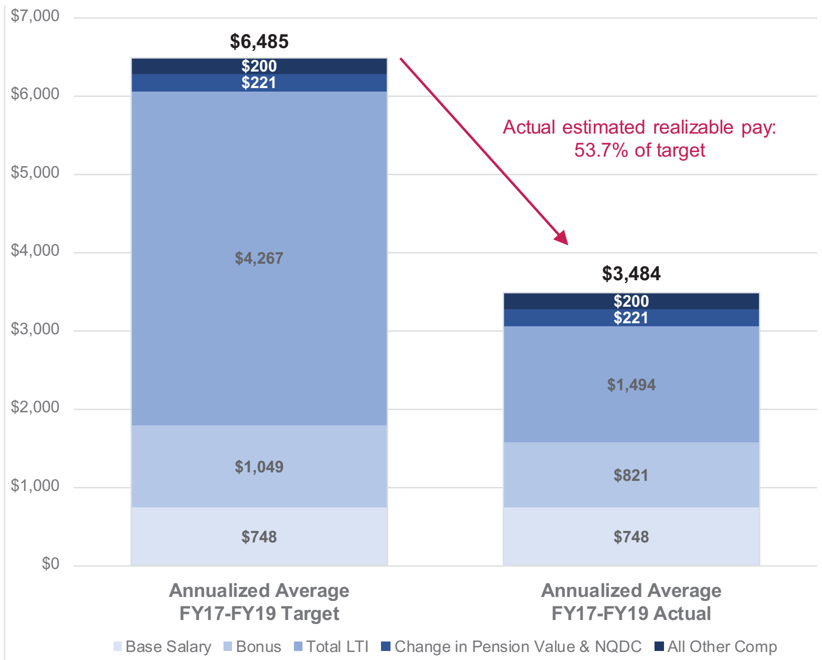
- We maintained all NEOs' base salaries with no increase, other than Mr. Offer, who received a 10% increase in the fourth quarter of fiscal year 2019 based upon exceptional contributions in a period of significant transition and assumption of additional duties. Base salaries were positioned in the aggregate at approximately the peer group median.
- In light of financial performance, the Board, upon the recommendation of the Compensation Committee, reduced PSU and service-based RSU awards granted to the NEOs on June 19, 2018 by 15%.
- Based on overall financial results that were below targeted performance levels, fiscal year 2019 bonuses paid out at approximately 66% of target for corporate level NEOs, with two business unit leaders (Messrs. Humphries and Britt) exceeding total corporate results with payouts at 104.4% and 130.1% of target, respectively, based on strong business unit results.
- We paid out the long-term relative total shareholder return (TSR) PSU cycle that closed during fiscal year 2019 at 100% of target in June 2018 based upon TSR results that were at the 50th percentile over the three-year performance cycle that began in June 2015.

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

- The Flex fiscal year 2017 – 2019 FCF PSU and long-term cash incentive cycle did not provide any payout as cumulative FCF results over the three-year period were below the threshold levels.
- Based on Flex's closing share price as of March 29, 2019, the relative TSR award cycles as of the end of fiscal year 2019 (2016 – 2019, 2017 – 2020, and 2018 – 2021) are projected to have no payout unless Flex experiences significant share price improvement going forward.
- In an effort to further align executive compensation with shareholder value delivered, we shifted away from a previous long term incentive plan (LTIP) structure that measured both cumulative FCF over a multi-year period as well as relative TSR. For fiscal year 2019, we granted only relative TSR PSUs.
- We funded the performance-based portion of our then-current NEOs' deferred compensation plans in fiscal year 2019 with a value that averaged 28.6% of our then-current NEOs' respective base salaries, which was below target.
- We provided a responsible CEO retirement package to Mr. McNamara in connection with his retirement that limited exit payments primarily to required plan-based awards.
- To ensure leadership continuity during the CEO transition, we provided retention equity awards to the other NEOs that consist of a combination or performance- and time-based awards. In addition, we implemented a formal, market-aligned, executive severance plan to provide clarity on the treatment of terminations in the event of various forms of departure from the Company.
- We established a compensation approach for our new CEO with a high degree of market alignment and included transition awards that were limited to make-whole values from her previous role. Key elements of the go-forward CEO compensation program include:
  - — Base salary of $1,150,000, somewhat below market median.
  - — Target annual bonus of 150% of salary (a pro-rata portion will be paid at target for her short time in the CEO role during fiscal year 2019).
  - — A fiscal year 2020 equity grant of $7.5 million which will be aligned with the overall Flex executive compensation program and will have 50% of the grant date value in the form of relative TSR PSUs.
  - — Resulting target total annual compensation is below the median of Flex's peers.

Our long-term incentive plans underscore our pay-for-performance alignment. For example, based on Flex's closing share price as of March 29, 2019, in-process PSU cycles from prior fiscal years (2016 – 2019, 2017 – 2020 and 2018 – 2021) are currently projected to have no payout unless Flex experiences significant share price improvement going forward. In addition, the value of shares held by NEOs have decreased, commensurate with Company share price movement over the course of the fiscal year. On average, realizable compensation values from all target compensation provided to our fiscal year 2019 NEOs (including our former CEO but excluding our new CEO), are at only approximately 54% of the original targeted value over the last three years:

Average Annualized FY17-FY19 Target Pay vs. Estimated Realizable Pay



The analysis above represents average annualized target total compensation for each of fiscal years 2017 – 2019 for Messrs. McNamara, Collier, Barbier, Britt, Humphries, and Offer, relative to the estimated realizable value as of March 29, 2019, which includes salaries, actual bonus payouts, target versus actual vested deferred compensation payouts, and actual or estimated equity awards from grants in the same period[(4)]. In-progress relative TSR and FCF PSUs are currently projected to have no payout (as described above) and outstanding RSU shares are valued at a fiscal year 2019 end-date price of $10.00. With these assumptions, only 53.7% of target compensation for these executives is estimated to be realizable, demonstrating the effectiveness of Flex's pay-for-performance approach.

Ms. Advaithi has been excluded from the above charts as her compensation program was focused on transition awards for a small portion of fiscal year 2019 due to her February 2019 hire date.

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. Flex initiated an elevated level of shareholder outreach in fiscal year 2019. During fiscal year 2019, we interacted with holders of approximately 64% of our share voting power.

We proposed a "say-on-pay" advisory vote on executive compensation at our 2018 annual general meeting held on August 16, 2018. The advisory vote received the support of approximately 85% of the votes cast at the 2018 annual general meeting. Based on both the outcome of the "say-on-pay advisory vote" and our 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 are focused on tightly managing our overall share grant levels relative to performance delivered, which we have

(4) Analysis does not include the value of performance- and time-based retention awards granted to NEOs other than Mr. McNamara during the fiscal year 2019 CEO transition and excludes the compensation program for the new CEO, Ms. Advaithi.

done and will continue to do (see the section entitled *"Responsible Share Granting Approach"* below). We took pro-active steps to reduce fiscal year 2019 equity grant levels for NEOs and our pay programs continue to align pay and performance as demonstrated by our performance-based long-term incentive programs projecting no payouts for current in-process award cycles (2016 – 2019, 2017 – 2020 and 2018 – 2021) unless Flex experiences significant share price improvement going forward.

Based on our favorable prior "say-on-pay" results, shareholder feedback on existing programs, and our review of the alignment of our pay program design with our financial results, we continued the structure of our fiscal year 2018 compensation programs in fiscal year 2019. The most significant change made was to improve alignment with shareholders, where 100% of our performance-based long-term incentive awards now measure relative TSR versus the S&P 500. This change was made based on an ongoing effort to provide enhanced alignment with shareholder outcomes.

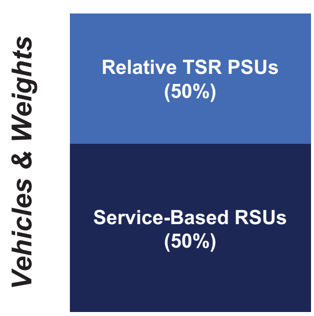
Going forward, we will continue to evaluate our alignment between our compensation strategy and our business objectives and financial results, with a strong focus on ensuring that the pay programs reinforce the need to achieve strong performance levels and shareholder value growth.

Fiscal Year 2019 Executive Compensation Summary

Our executive compensation program has been, and continued to be, structured to be competitive to allow us to attract and retain a high caliber leadership team. Further, it is intended to provide direct alignment between pay and performance. This alignment is shown where many elements of the pay program have experienced value declines as a result of below-target performance in fiscal year 2019. The illustration below describes the key elements of our core executive compensation program for fiscal year 2019:

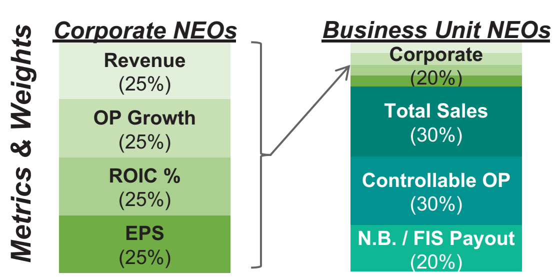
Compensation Element | **Description**

LONG-TERM INCENTIVE



- 50% is a PSU that measures Flex's TSR versus that of the S&P 500 over a 3-year period.
- 50% are RSUs that vest equally over a four-year period.
- Flex also provides long-term cash incentives under our Deferred Compensation Plan, with a target value equal to 30% of salary for each NEO with 50% of actual funding linked to bonus payout results.
- To promote leadership continuity and stability during Flex's CEO transition, Flex granted both performance- and time-based equity awards to non-CEO NEOs during the leadership transition.

SHORT-TERM INCENTIVE



- Corporate executives are measured entirely on Flex financial objectives. For fiscal year 2019, 50% of the award opportunity was measured against quarterly results and 50% against annual outcomes.
  - Fiscal year funding was 67% of target.
- Business Unit NEOs are measured primarily on direct business unit results across three related metrics (Total Sales, Controllable Operating Profit (OP), and either New Business (N.B.) Wins or FIS segment results (FIS Payout).
  - Fiscal year results for Mr. Humphries were 104% of target and 130% of target for Mr. Britt.

ANNUAL BASE SALARY

- Flex positions salaries at approximate median versus market.
- In fiscal year 2019, only one NEO received a salary increase based on benchmarking and increased responsibilities.

Fiscal Year 2020 Compensation Plan Changes

For fiscal year 2020, our most significant changes to our executive compensation programs are in the design of the short-term incentive program, including:

- **Annual Measurement Only:** For our named executive officers and other top executives, performance will be measured against annual results only.
- **Refined Metrics and Weighting:** To align with input provided by shareholders, we will measure four key metrics with revised weighting in fiscal year 2020:
  - **Revenue:** 20% weighting (down from 25% in fiscal year 2019 to provide greater emphasis on profitability).
  - **Operating Profit:** 30% weighting (up from 25% to emphasize profitability).
  - **EPS:** 25% weighting (consistent with fiscal year 2019).
  - **Free Cash Flow (FCF):** 25% weighting (replaces ROIC, as FCF was considered to be a key strategic metric for value creation based on shareholder engagement).
- **Single Funding Pool for Top Executives:** The fiscal year 2020 annual incentive program will use a single funding pool for all named executive officers and top executives, which is intended to ensure that overall Company results are achieved before individual bonuses are paid.

In addition, Flex provided a target pay program for its new CEO that places 89% of pay at risk, with a majority of pay requiring direct financial and/or shareholder performance hurdle achievement to deliver payouts. For the non-CEO named executives, target equity values were kept at the same level as the target fiscal year 2019 core awards.

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. • 91% of Mr. McNamara's fiscal year 2019 target total direct compensation was either at-risk or long-term, and, overall for our other non-CEO NEOs, 79%-82% of the 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.

Element	Overview
Market-Based 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 45th percentile for our NEOs in fiscal year 2019.
Balanced Performance Metrics and Measurement Time Frames	• With the rapid pace and dynamic nature of our business, it is necessary to actively measure results at varying time frames across a range of metrics, though with progressively greater emphasis on long-term performance for senior leaders. • In fiscal year 2019, we measured 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 fiscal year 2020, all of our NEOs will be measured against an annual incentive plan. • For our long-term incentive plan, we measure TSR relative to the S&P 500.
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. • 72% of Mr. McNamara's fiscal year 2019 target total direct compensation was through long-term incentives, of which approximately 50% was linked to achievement of long-term TSR performance versus the S&P 500. • 58%-64% of our other non-CEO NEOs' target total pay was through long-term incentives, of which approximately 50% was linked to achievement of long-term TSR performance versus the S&P 500. • We maintain share ownership guidelines (for the CEO – 4X annual base salary, for the CFO – 2 1/2X annual base salary, and for all other NEOS – 1 1/2X base salary) to enforce alignment with shareholder results, and have recoupment policies in place.

Additionally, performance- and time-based retention awards were granted to NEOs, other than Mr. McNamara, during the CEO transition period in fiscal year 2019 as part of the broader business review at Flex and determination that senior executive departures could have a significantly negative impact on business results.

Compensation Setting Process and Decisions for Fiscal Year 2019

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 approximately our peer group 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 2019, we granted share-based awards representing approximately 1.57% of shares outstanding.	✗ We do not have single trigger accelerated vesting of equity awards upon 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 maintain a supplemental executive retirement plan (SERP).
✓ Retain an independent compensation advisor.	✗ Our 2017 Plan prohibits "share recycling" and options/SAR repricing (including cash buyouts).
✓ Consider shareholder advisory votes and views in determining executive compensation strategies.	✗ We do not pay dividends or dividend equivalents on our unvested restricted share units.
✓ Maintain share ownership guidelines for NEOs and Board Directors.	✗ We do not provide excise tax gross-ups in change of control events.

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 Compensation 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 2019, the Compensation Committee engaged Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. in connection with its fiscal year 2019 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 2019 and advised on the methodology used for our 2019 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 2019 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 2020 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 2019 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 uses Mercer's review of standardized surveys to check the Company's compensation programs against other large high technology and 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 the peer companies are annually reviewed and approved by the Compensation Committee. The peer group for fiscal year 2019 compensation decisions (which was the same as the peer group used for fiscal year 2018 compensation decisions) consisted of the following companies:

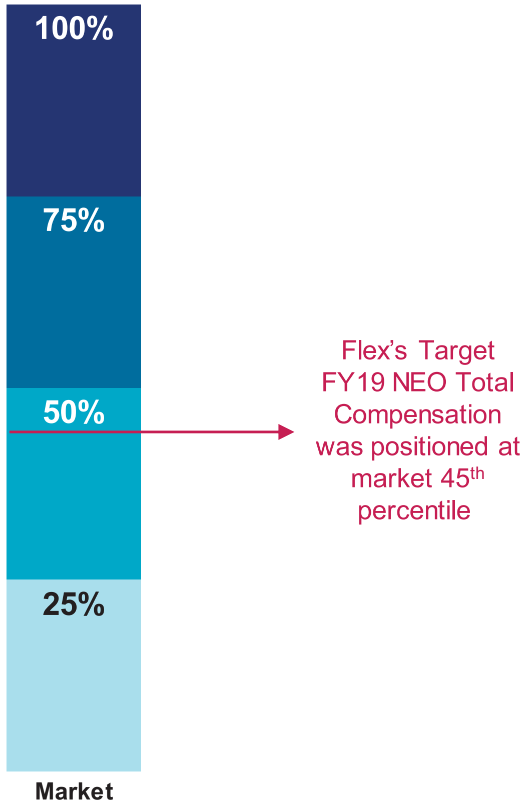
Arrow Electronics, Inc.	Applied Materials, Inc.
Avnet, Inc.	Danaher Corporation
Eaton Corporation plc	Emerson Electric Co.
General Dynamics Corporation	Honeywell International Inc.
Illinois Tool Works Inc.	Jabil, Inc.
Johnson Controls International plc	Northrop Grumman Corporation
Raytheon Company	Seagate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

Fiscal Year 2019 Executive Compensation

Total Direct Compensation

Total direct compensation is the sum of base salary, annual incentive bonus payouts and long-term incentive awards, including target deferred compensation values, though excluding the retention awards provided during the CEO transition period in fiscal year 2019. The bar graph below illustrates the aggregate target total direct compensation provided to our named executive officers in place at the beginning of fiscal year 2019 (i.e., excluding Ms. Advaithi) relative to comparable target pay elements for Flex's peer group and survey comparators. Flex's fiscal year 2019 target pay levels were positioned below the median of market comparators, and actual payouts are expected to be below target levels as noted above, demonstrating the alignment of pay and performance that is built into Flex's pay program.

FY19 NEO Total Target Compensation Positioning vs. Market



The above graph reflects the 15% reduction of PSU and service-based RSU awards granted to the NEOs in June 2018.

Elements of Compensation

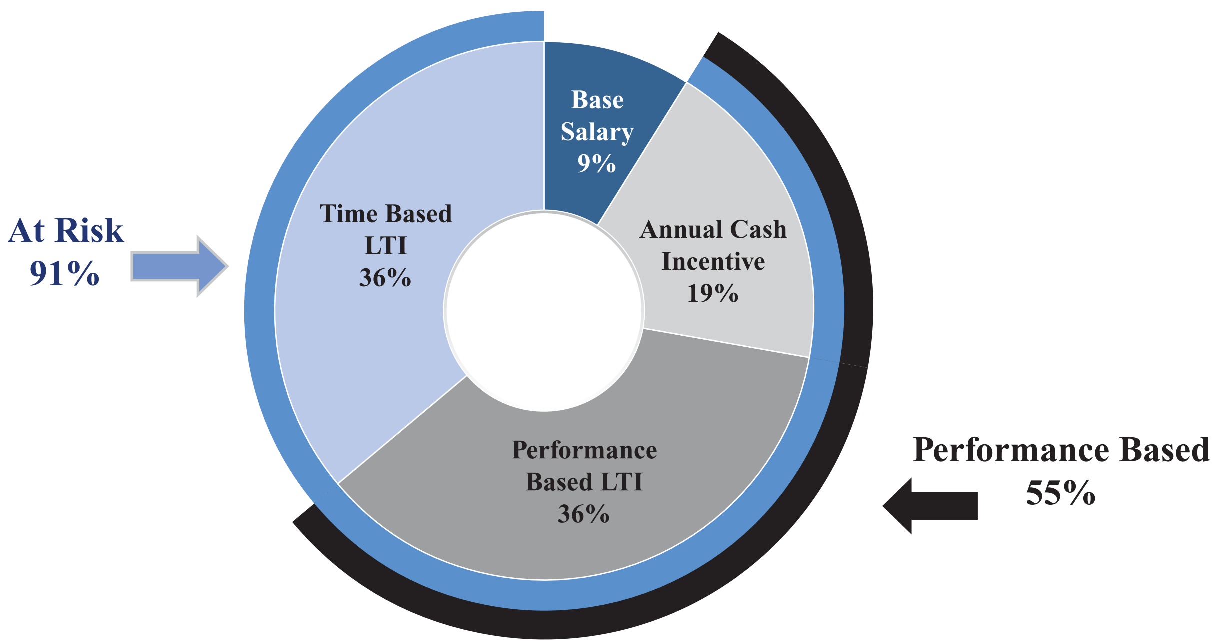
We allocate compensation among the following components for our NEOs:

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

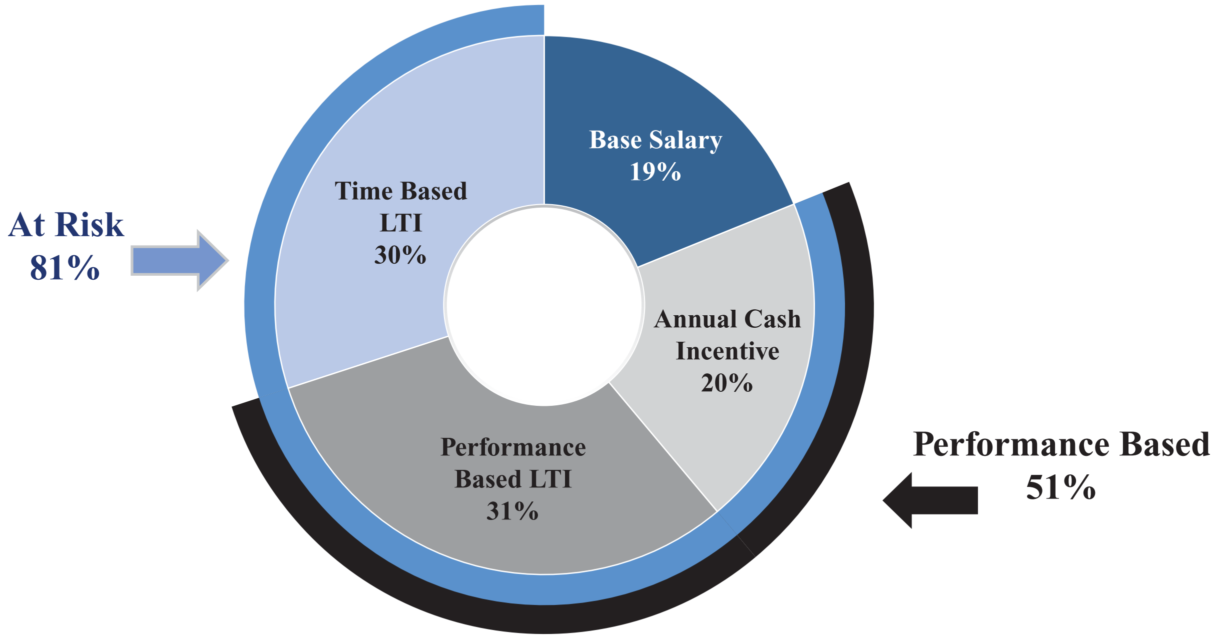
As discussed above, a key element of our compensation philosophy is that a significant portion of executive compensation is performance-based and therefore at-risk. A second key element of our compensation philosophy is that a significant portion of executive compensation is comprised of long-term components in order to align executive compensation with sustained, long-term performance and share price appreciation. Annual incentive compensation, PSUs, 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 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 (with the exception of certain performance-based retention awards granted to select NEOs in December 2018, which vest over a two-year period).

The following charts illustrate the mix of our core target compensation and show that for Mr. McNamara, our Chief Executive Officer at the beginning of fiscal year 2019, 91% of total target direct compensation is either at-risk or long-term[(1)], and, overall for our other non-CEOs NEOs, 79% – 82% of total target direct compensation is either at-risk or long-term[(1)]. Compensation for Ms. Advaithi has been excluded from these charts as her compensation program was focused on transition awards for a small portion of fiscal year 2019 due to her February 2019 hire date. She will become a full participant in Flex's core compensation program in fiscal year 2020. For more information regarding Ms. Advaithi's compensation, see page 87.

FY2019 Target
Total Direct Compensation
(Mr. McNamara)



**FY2019 Target
Total Direct Compensation
(Other non-CEO NEOs)**



(1) Performance-based long-term incentives evaluated using Monte Carlo methodology.

(2) The above charts do not include the retention awards granted to NEOs other than Mr. McNamara during the fiscal year 2019 CEO transition.

Base Salary Levels

The following table sets forth the base salaries of our NEOs as of the end of fiscal years 2018 and 2019, as well as the percentage increase (if any) from the prior year:

Name and Title	Annualized Base Salary for Fiscal Year 2018	Annualized Base Salary for Fiscal Year 2019	Percentage Increase
Revathi Advaithi Chief Executive Officer	—	$1,150,000	—
Michael M. McNamara Former Chief Executive Officer	$1,250,000	$1,250,000	0%
Christopher Collier Chief Financial Officer	$700,000	$700,000	0%
Francois P. Barbier President, Global Operations and Components	$710,000	$710,000	0%
Douglas Britt President, Flex Integrated Solutions	$710,000	$710,000	0%
Paul Humphries, President, High Reliability Solutions	$710,000	$710,000	0%

Name and Title	Annualized Base Salary for Fiscal Year 2018	Annualized Base Salary for Fiscal Year 2019	Percentage Increase
Scott Offer Executive Vice President and General Counsel and Former Acting Chief Executive Officer	$550,000	$605,000	10%

For fiscal year 2019, we maintained our executives' base salaries with no increases with one exception. In recognition of his significant contributions before and during the period of CEO transition as well as increasing responsibilities in providing oversight of our marketing and communications function, Mr. Offer's salary increased by 10% effective February 2019. Additionally, the base salary of our prior CEO, Mr. McNamara, had remained the same from 2008 until his retirement in 2018.

We seek to position salaries at levels that are competitive at approximate median levels with our peer companies. Our executives' base salaries are based on each individual executive's role and the scope of his or her responsibilities, also taking into account the executive's experience and the base salary levels of other executives within the Company. The Compensation Committee typically reviews base salaries every fiscal year and adjusts or maintains 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 2019 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 corporate results 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 2019, the Company's performance levels with respect to the above-described performance metrics were below the targeted amounts for all of these metrics (see table below), so payouts were also below target. For Messrs. Britt and Humphries, performance results were heavily weighted to outcomes from the FIS and HRS business segments that they manage, respectively. Performance levels for these segments exceeded targeted amounts for all metrics and, accordingly, Messrs. Britt and Humphries achieved above-target payout levels. Mr. Offer's target bonus percentage was increased by 10% to 100% in February 2019 in recognition of his significant contributions before and during the CEO transition and due to his additional responsibilities in providing oversight of our marketing and communications function. The payout levels are as follows:

Name	Fiscal Year 2019 Actual Annual Incentive Bonus as a Percentage of Target Bonus	Fiscal Year 2019 Annual Incentive Bonus Target (Potential Bonus as a percentage of Base Salary)	Fiscal Year 2019 Annual Incentive Actual Bonus
Mr. McNamara	9.3%	200%	$231,250
Mr. Collier	66.6%	110%	$512,849
Mr. Barbier	66.6%	110%	$520,176
Mr. Britt	130.1%	110%	$1,016,384
Mr. Humphries	104.4%	110%	$815,264
Mr. Offer	65.8%	100%(1)	$370,803

(1) Mr. Offer's potential bonus as a percentage of base salary was 90% for the first three quarters of fiscal year 2019 and 100% for the fourth quarter of fiscal year 2019.

As an inducement for Ms. Advaithi to join the Company, she was eligible to receive a pro-rata bonus payout at target for the time during which she was with the Company in fiscal year 2019.
Mr. McNamara was not eligible to receive any annual bonus for fiscal year 2019 given his retirement date of December 31, 2018, though he received quarterly payouts for the quarters during which he was an active employee and plan participant.

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 2019, 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 2019 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 2019 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 the 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

Feature	Component	Objectives
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 — Ms. Advaithi's target bonus was set at 150% 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 Mr. McNamara, our Chief Financial Officer and other corporate officers as compared with business unit executives, where business unit executives have a significant emphasis on the performance of their particular business unit.

The incentive bonus plan award opportunities for each NEO are shown in the Grants of Plan-Based Awards in Fiscal Year 2019 table in "Executive Compensation."

Non-GAAP Adjustments

We used adjusted non-GAAP performance measures for our incentive bonus plan in fiscal year 2019. 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 mis-alignment in 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 2019, non-GAAP adjustments consisted of excluding after-tax stock-based compensation expense, amortization of intangible, customer related assets impairments, restructuring charges, the new revenue standard adoption impact, contingencies and other, interest and other, net and other charges (income), net. All adjustments are subject to approval by the Compensation Committee to ensure that payout levels are consistent with performance.

Incentive Awards for Corporate Executives

Our corporate executives who were employed at the beginning of fiscal year 2019 were each eligible for a bonus award based on achievement of quarterly and annual revenue growth, adjusted operating profit, ROIC and adjusted EPS targets. Ms. Advaithi's fiscal year 2019 bonus was agreed to be paid at target for her time in the role given her hire date in February of 2019. We refer to these performance measures as the "Company performance metrics." The weightings for each of these performance measures were 25%. Bonus targets for each named executive officer are outlined in the table below:

Name and Title	FY18 Target Bonus (% of Salary)	FY19 Target Bonus (% of Salary)	Percentage Change
Revathi Advaithi Chief Executive Officer	—	150%	—
Michael M. McNamara Former Chief Executive Officer	200%	200%	0%
Christopher Collier Chief Financial Officer	110%	110%	0%
Francois P. Barbier President, Global Operations and Components	110%	110%	0%
Douglas Britt President, Flex Integrated Solutions	100%	110%	10%
Paul Humphries, President, HRS	110%	110%	0%
Scott Offer Executive Vice President and General Counsel and Former Acting Chief Executive Officer	90%	100%(1)	10%

(1) Mr. Offer's potential bonus as a percentage of base salary was 90% for the first three quarters of fiscal year 2019 and 100% for the fourth quarter of fiscal year 2019.

Flex made no increases to target bonus opportunities in fiscal year 2019, other than for Messrs. Britt and Offer to provide recognition for strong ongoing contributions, additional responsibilities and alignment with other senior business unit leaders.

The following table sets forth the payout level opportunities that were available for Messrs. McNamara, Collier, Barbier and Offer 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 -0.1% at the 50% payout level, 4.2% at the 100% payout level, 12.1% at the 200% payout level, and 16.0% at the 300% payout level.

No payout is made if the threshold performance level is not achieved. Achievement of payouts at the 300% level for the annual bonus would require sustained strong performance over the course of a full year and are considered to represent significant 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:

FY19 Short-Term Incentive Plan

Performance (Period and Metrics)		Weight	Payout (% of Target) 0%	50%	100%	150%	200%	300%
Q1	Revenue ($000s)	25%		$6,160	**$6,281**	$6,431	$6,681	
Q1	Adjusted OP ($000s)	25%		$177	**$188**	$195	$201	
Q1	ROIC	25%		17%	**18%**	19%	20%	
Q1	Adjusted EPS	25%		$0.24	**$0.24**	$0.25	$0.26	
Q2	Revenue ($000s)	25%		$6,415	**$6,575**	$6,825	$7,075	
Q2	Adjusted OP ($000s)	25%		$212	**$226**	$239	$245	
Q2	ROIC	25%		17%	**18%**	19%	20%	
Q2	Adjusted EPS	25%		$0.27	**$0.30**	$0.32	$0.33	
Q3	Revenue ($000s)	25%		$6,563	**$6,927**	$7,277	$7,527	
Q3	Adjusted OP ($000s)	25%		$230	**$266**	$283	$289	
Q3	ROIC	25%		17%	**18%**	19%	20%	
Q3	Adjusted EPS	25%		$0.30	**$0.36**	$0.39	$0.40	
Q4	Revenue ($000s)	25%		$6,272	**$6,727**	$6,977	$7,227	
Q4	Adjusted OP ($000s)	25%		$211	**$260**	$273	$279	
Q4	ROIC	25%		17%	**18%**	19%	20%	
Q4	Adjusted EPS	25%		$0.28	**$0.36**	$0.38	$0.39	
FY19	Revenue ($000s)	25%		$25,410	**$26,510**	$27,510	$28,510	$29,510
FY19	Adjusted OP ($000s)	25%		$831	**$940**	$990	$1,015	$1,060
FY19	ROIC	25%		17%	**18%**	19%	20%	22%
FY19	Adjusted EPS	25%		$1.09	**$1.25**	$1.33	$1.37	$1.45

Key
Actual Payout as a Percent of Target

(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 (after applying a weighting of 25%) and annual periods) for Messrs. McNamara, Collier, Barbier, and Offer.

Period	Revenue (in millions)	Payout Level %	Adjusted OP (in millions)	Payout Level %	ROIC	Payout Level %	Adjusted EPS	Payout Level %	Total Payout Level %
Q1	$6,424	36.9%	$188	25.0%	15.9%	0%	$0.24	12.5%	74.4%
Q2	$6,711	31.8%	$224	22.6%	16.2%	0%	$0.29	20.8%	75.3%
Q3	$6,945	25.6%	$256	21.8%	17.0%	16.3%	$0.34	20.8%	84.6%
Q4	$6,226	0%	$204	0%	17.2%	0%	$0.27	0%	0%
FY'19 Annual Component	$26,306	22.7%	$872	17.2%	17.2%	18.5%	$1.14	16.4%	74.8%
FY'19 Total Payout	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	66.6%

Consistent with the Company's pay-for-performance approach, overall Flex results were below target performance levels and the resulting payouts reflected below-target payouts.

Incentive Awards for NEOs Leading Business Units (Messrs. Britt and Humphries)

Messrs. Britt and Humphries were eligible for bonuses based on achievement of the quarterly and annual Company performance metrics, as well as the business unit performance metrics of total sales, operating profit, new business wins for our HRS business group and FIS business 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 Messrs. Britt and 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 Messrs. Britt and Humphries to achieve operating results at their business units in alignment with our business strategy with payout opportunities at levels of difficulty consistent with our Company performance metrics.

In fiscal year 2019, the FIS and HRS businesses which Messrs. Britt and Humphries lead, respectively, both exceeded their performance objectives though the total Company results were below targeted objectives. With the greater emphasis on business unit results, fiscal year 2019 payouts for both were above target in alignment with their results versus plan objectives. Accordingly, the payout for Mr. Britt was 130.1% of target and Mr. Humphries' was 104.4% of target. 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. Britt and Humphries:

Period	D. Britt Payout (% of Target)	D. Britt Actual Payout % (as a % of Base Salary)	P. Humphries Payout (% of Target)	P. Humphries Actual Payout % (as a % of Base Salary)
Q1	112.8%	124.1%	162.9%	179.2%
Q2	156.3%	171.9%	118.0%	129.8%
Q3	167.4%	184.2%	86.9%	95.6%
Q4	60.0%	66.0%	0%	0%
FY'19 Annual Component	136.1%	149.8%	116.8%	128.5%
FY'19 Total Payout	**130.1%**	**143.2%**	**104.4%**	**114.8%**

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-Based Incentive Compensation

In fiscal year 2019, the Compensation Committee granted share-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 incentives are generally forfeited if the executive voluntarily leaves the Company.

Restricted Share Unit Awards (RSUs)

Fifty percent of the target grant date value of the share-based long-term incentives are in the form of restricted share unit awards. These time-based RSUs only vest if the executive remains employed through the vesting period subject to any acceleration as described in the section entitled "*Potential Payments Upon Termination or Change in Control*." 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 Share Units (PSUs)

In fiscal year 2019, the Compensation Committee determined that long-term incentive awards for executives and other senior officers generally would be allocated 50% to PSUs that are earned based upon relative TSR performance versus the S&P 500 over a three-year period beginning in fiscal year 2019 and ending in fiscal year 2021. The actual grant value mix may deviate somewhat from this due to fluctuations in the Monte Carlo valuations for the TSR-based PSUs. The Compensation Committee believes that this allocation between RSUs and PSUs 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 metric in its PSUs, 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 shorter and longer time periods. Prior to fiscal 2019, 25% of the long-term incentive plan measured Flex's cumulative free cash flow (FCF LTIP). Starting in fiscal 2019, the Compensation Committee determined to replace the FCF portion of the LTIP with PSU awards based 100% on relative TSR performance to provide enhanced alignment with shareholder outcomes. This change to focusing exclusively on our 3-year relative TSR results versus the S&P 500 was made based on an ongoing effort to provide enhanced alignment with shareholder outcomes.

A summary of the 2019 grant approach is outlined below:

Fiscal Year 2019 Equity Grant Approach

Vehicle & Weight	Description
Relative TSR Performance RSUs (50%)	• Measured as a rank of performance vs. the S&P 500 at the end of year 3 • Payout can range from 0% to 200% of the target number of shares • All grants in shares
Time Vesting RSUs (50%)	• Awards vest 25% annually at the end of years 1 through 4

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

- PSUs: The awards granted in fiscal year 2019 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 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

- Time-based RSUs: Awards granted in fiscal year 2019 vest in four installments of 25% on each of the first through fourth anniversary of the grant date, with the exception of the sign-on award to Ms. Advaithi in connection with her appointment as CEO, which vests in three equal installments, due to the intent to cover values foregone at her prior employer with this award.

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. Barbier 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, though 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 and performance 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.

Forfeiture of Elementum Profits Interests Units

We own substantially all of the equity in Elementum Holding Ltd ("Holdco"), which in turn was a significant shareholder of Elementum SCM (Cayman) Ltd ("Elementum"), a privately-held software development company founded in 2012 by Flex and some of our former employees. 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. During fiscal year 2019, Flex significantly reduced its ownership in Elementum and, as of March 31, 2019, it held only a minority position and Holdco no longer owned any equity in Elementum. In addition, NEOs who had previously been awarded profits interests in Elementum forfeited such profits interests (excluding Mr. McNamara, who retained his vested Elementum profits interests but forfeited any unvested Elemental profits interests as of December 31, 2018). No Elementum profits interests were granted in fiscal year 2019 and no profits interests in this entity will be awarded to Flex's NEOs going forward.

Grants During Fiscal Year 2019

The number of time-based RSUs, the threshold, target and maximum opportunities for TSR PSUs, and the grant-date fair value of these equity awards for the NEOs granted in fiscal year 2019 are shown in the Grants of Plan-Based Awards in Fiscal Year 2019 table.

As part of the fiscal year 2019 compensation review process, Mr. McNamara provided the Compensation Committee with recommended grant levels for all NEOs excluding himself. Upon consideration, the Compensation Committee recommended and the Board approved awards that represented a 15% discount relative to the proposed awards based upon the negative share price impact experienced by shareholders. The award is an intended 50-50 split between PSUs (at target) and time-based RSUs for the NEOs. In connection with her appointment as Chief Executive Officer in February 2019, Ms. Advaithi received a sign-on award of $2 million in time-based RSUs that vest annually over a 3-year period. This award was intended to make up for a forfeiture of unvested equity with her prior employer. Ms. Advaithi will participate in the Company's standard executive equity program beginning in fiscal year 2020 (see *Compensation Arrangements for Ms. Advaithi* on page 87 for further details).

CEO Transition Retention Grants

In order to promote continuity and stability during the Company's CEO transition, on December 7, 2018, the Company's Board of Directors, upon recommendation of its Compensation Committee, approved retention grants of performance-based RSUs to the named executive officers, excluding Mr. McNamara. In each case, the RSUs had a grant date fair market value of $500,000 as reported in the Summary Compensation Table and will vest and be payable, subject to the executive officer's continued employment with the Company through the applicable measurement date and upon achievement of performance conditions as follows: (i) 50% of the RSUs will vest if the closing trading price of the Ordinary Shares exceeds $12.00 (the "Hurdle Price") for any 20 consecutive trading days during the period between the first and second anniversaries of the date of grant, and (ii) 50% of the RSUs will vest if the closing trading price of the Ordinary Shares exceeds the Hurdle Price for any 20 consecutive trading days during the period between the second and third anniversaries of the date of grant; provided that if the RSUs do not vest under (i), 100% of the RSUs will vest if the conditions in (ii) are satisfied. The RSUs have accelerated vesting in the event of a termination of employment by the Company without cause or by the executive officer for good reason prior to the third anniversary of the date of grant.

As part of the CEO transition described above and throughout this joint proxy statement, the Compensation Committee and Flex's new CEO placed a high priority on ensuring stability in the senior leadership team. This objective was defined in light of the considerable experience, knowledge of Flex's business, and relationships with internal teams and customers possessed by the senior leadership team, as well as a highly competitive external executive talent market. In a time of CEO transition and broader business review at Flex, the Compensation Committee determined that senior executive departures could have a significantly negative impact on business results and determined that consideration of additional retention grants was warranted. Following such consideration, on March 5, 2019, the Company's Board of Directors, upon the recommendation of its Compensation Committee, approved retention grants of RSUs to certain executive officers, including the Chief Financial Officer and other named executive officers. The RSU grants to the Chief Financial Officer and each of the other named executive officers (other than Mr. Britt) have grant date fair values of $2,500,000 (Mr. Britt's grant has a grant date fair value of $4,000,000) and will vest and be payable, subject to the executive officer's continued employment with the Company, on the second anniversary of the grant date. The RSUs have accelerated vesting in the event of a termination of employment by the Company without cause or by the executive officer for good reason prior to the second anniversary of the date of grant.

The table below summarizes the approved PSUs and time-based RSUs awards granted to our named executive officers in fiscal year 2019.

Long-Term Incentive Awards

Executive Officer	TSR-Based PSUs (Shares)	Stock Price-Based PSUs (Shares)	Service-based RSUs (Shares)
Revathi Advaithi	—	—	195,312
Michael M. McNamara	329,225	—	329,225
Christopher Collier	82,306	59,453	325,024
Francois P. Barbier	76,899	59,453	319,617
Douglas Britt	76,899	59,453	465,248
Paul Humphries	76,899	59,453	319,617
Scott Offer	52,376	59,453	295,094

The actual disclosed value of the TSR-based equity awards in the Summary Compensation Table (SCT) was somewhat above the intended value (approximately 1% of the grant date 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 actual value to be earned will be dependent on Flex's multi-year TSR performance versus the S&P 500.

Payouts of Prior PSUs and FCF LTIP

During fiscal year 2019, the TSR-based PSU granted in fiscal year 2016 completed its applicable performance cycle and was eligible for payouts. The fiscal year 2016 relative TSR PSU grants measured our TSR versus the constituents of the S&P 500 from June 10, 2015 (the grant date of the fiscal year 2016 awards) through June 10, 2018 (the performance period end), where the measurement calculation includes a trailing 90-day average trading price for both the beginning and end of the performance periods. 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 achievement of 27.6% over the period as compared to the S&P 500 median through the performance period equates to a 50th percentile level versus the S&P 500, resulting in a payout of 100% of target based on the performance scale.

Additionally, Flex's FCF PSU and long-term cash incentive awards granted in fiscal year 2017, whose performance cycle ran from April 1, 2016 through March 31, 2019 was completed based on performance ending in fiscal year 2019. Flex's cumulative FCF over the performance period was $900 million, which was below the threshold performance level and therefore translates to a payment of 0% of target.

Fiscal Year 2017 — 2019 FCF Performance Scale	Shares Earned
>= $2.806 billion	200% of target
$1.806 billion – $2.806 billion	Interpolate
$1.806 billion	100% of target
$1.406 billion – $1.806 billion	Interpolate
$1.406 billion	50% of target
< $1.406 billion	0% of target

As discussed elsewhere in this joint proxy statement, starting in 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 instead focused 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.

Ms. Advaithi was appointed as CEO of the Company effective February 11, 2019 and, accordingly, was in that role for only a small portion of fiscal year 2019. As part of the Company's fiscal year 2020 equity incentive grants, Ms. Advaithi was granted, in June 2019, an award comprised of 50% performance share units (PSUs) and 50% restricted share units (RSUs) having an aggregate target value of

$7,500,000. The RSUs will vest in four equal annual installments, subject to continued employment through the vesting dates. The PSUs will vest based on achievement of performance goals over a three-year period (with the number of shares that vest dependent on the level of achievement), subject to continued employment through the vesting date. This target compensation package was structured to be positioned somewhat below peer median pay levels given that it represents Ms. Advaithi's first role as Chief Executive Officer.

Responsible Share Granting Approach

Flex is committed to maintaining a responsible share burn rate. From our discussions 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 2019 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 share unit and performance share 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 2019, we granted non-adjusted share-based awards of 1.57% 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,					
	2019		2018		2017	
	Shares	Price	Shares	Price	Shares	Price
Unvested service-based RSUs outstanding, beginning of fiscal year	12,071,609	$14.04	12,822,943	$11.84	13,167,776	$10.41
Granted	6,507,208	12.57	4,511,910	16.56	5,666,020	12.92
Vested	(4,832,105)	13.33	(4,247,681)	11.18	(5,097,196)	9.45
Forfeited	(1,858,603)	14.43	(1,015,563)	13.01	(913,657)	11.00
Unvested service-based RSUs outstanding, end of fiscal year	11,888,109	$13.42	12,071,609	$14.04	12,822,943	$11.84

	PSU Summary for Fiscal Year Ended March 31,					
	2019		2018		2017	
	Shares	Price	Shares	Price	Shares	Price
Unvested PSUs outstanding, beginning of fiscal year	1,820,433	$16.74	2,875,639	$15.05	3,832,300	$11.99
Granted	1,750,294	12.67	816,397	19.43	912,346	16.60
Vested / Earned	(781,765)	14.39	(1,549,225)	15.30	(1,825,750)	9.39
Forfeited	(160,252)	17.80	(322,378)	15.68	(43,257)	15.38
Unvested PSUs outstanding, end of fiscal year	2,628,710	$15.15	1,820,433	$16.74	2,875,639	$15.05
Weighted-average Ordinary Shares outstanding	526,519,000		529,782,000		540,503,000	
Gross Shares Granted	8,257,502		5,328,307		6,578,366	
Gross Burn Rate(1)	**1.57%**		**1.01%**		**1.22%**	

(1) For fiscal year 2017, the fungible ratio was 1.71.

The "Gross Shares Granted" noted above reflect the number of target awards 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,					
	2019		2018		2017	
	Shares	Price	Shares	Price	Shares	Price
Granted	6,507,208	$12.57	4,511,910	$16.56	5,666,020	$12.92
Forfeited	(1,858,603)	14.43	(1,015,563)	13.01	(913,657)	11.00
Net Change in Service-based RSUs	4,648,605	$15.15	3,496,347	$14.04	4,752,363	$11.84

	PSU Summary for Fiscal Year Ended March 31,					
	2018		2018		2017	
	Shares	Price	Shares	Price	Shares	Price
Actual Vested / Earned PSUs	781,765	$14.39	1,549,225	$15.30	1,825,750	$ 9.39

	Net Service-Based RSU and PSU Burn Summary for Fiscal Year Ended March 31,		
	2019	2018	2017
	Shares	Shares	Shares
Total Net Shares Granted or Released	5,430,370	5,045,572	6,578,113
Weighted-average Ordinary Shares outstanding	526,519,000	529,782,000	540,503,000
Total Net Shares Granted or Released Burn Rate(1)	**1.03%**	**0.95%**	**1.22%**

(1) For fiscal year 2017, 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

As a matter of good corporate governance, 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 or pledging our shares as collateral for loans.

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.

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 2019, Messrs. Britt, Collier, Humphries, McNamara and Offer each received deferred cash awards with a value that averaged about 28.6% of their 2018 respective base salaries and neither Mr. Barbier nor Ms. Advaithi received a deferred cash award in fiscal year 2019. In connection with her appointment as CEO, Ms. Advaithi was credited with a one-time funding payment of $2,000,000 under the 2010 Deferred Compensation Plan, which will cliff vest on the third anniversary of the employment commencement date, provided that Ms. Advaithi remains employed by the Company. This amount is intended to cover values that she relinquished when departing from her previous employer to join the Company. This award is not reflected in the Nonqualified Deferred Compensation Table on page 103 as the actual grant will not be made until July 2019 with the annual deferred compensation contribution cycle and the award will not vest and be disclosable until fiscal year 2022.

In connection with Mr. McNamara's retirement, his vested deferred compensation account will be paid to him in accordance with its terms and any unvested deferred compensation was forfeited effective December 31, 2018.

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.

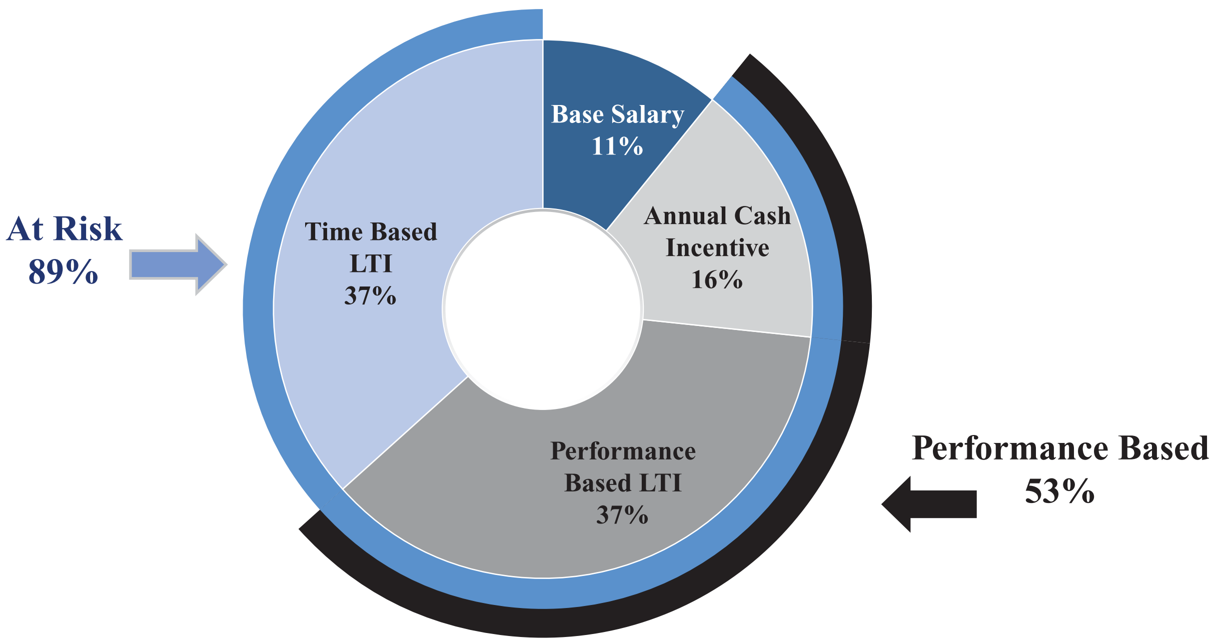
Additional Information

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 2019, see the section entitled "*Executive Compensation—Nonqualified Deferred Compensation in Fiscal Year 2019*."

Compensation Arrangements for Ms. Advaithi

In connection with Ms. Advaithi's appointment as Chief Executive Officer, we entered into an offer letter with Ms. Advaithi on February 7, 2019. Under the terms of the offer letter, Ms. Advaithi's annual base salary is $1,150,000. Beginning with the Company's fiscal year 2020, Ms. Advaithi will be eligible for a bonus under the Company's Annual Incentive Bonus Plan, with a target award opportunity of 150% of base salary and a maximum award opportunity of 375% of base salary (versus the prior CEO maximum of 500% of base salary), based upon the achievement of pre-established performance measures. For fiscal year 2019, Ms. Advaithi was paid a pro rata bonus at target for her period of employment in fiscal year 2019. Ms. Advaithi will also be eligible to participate in the Company's Deferred Compensation Plan under which beginning in fiscal 2020 she may receive a Company contribution, based on Company performance, of up to 30% of base salary. Additionally, Ms. Advaithi will be credited with a one-time funding payment of $2,000,000 under the Deferred Compensation Plan in order to compensate for loss of value from her retirement plan at her prior employer, which will cliff vest on the third anniversary of the employment commencement date, provided that Ms. Advaithi remains employed by the Company. As part of the Company's fiscal year 2020 equity incentive grants, Ms. Advaithi was granted, in June 2019, an award comprised of 50% performance share units (PSUs) and 50% restricted share units (RSUs) having an aggregate target value of $7,500,000. The RSUs will vest in four equal annual installments, subject to continued employment through the vesting dates. The PSUs will vest based on achievement of performance goals over a three-year period (with the number of shares that vest dependent on the level of achievement), subject to continued employment through the vesting date. The compensation package was structured to provide annual target compensation positioned somewhat below peer median pay levels given that it represents Ms. Advaithi's first role as Chief Executive Officer. This pay program will place 89% of Ms. Advaithi's fiscal year 2020 pay at risk, with 53% contingent on achievement of financial and relative TSR performance.

**FY2020 Target
Total Direct Compensation
(Ms. Advaithi)**



Ms. Advaithi received a sign-on grant of RSUs having a grant date fair value of $2,000,000 that will vest in three equal annual installments, subject to continued employment through the vesting dates. Ms. Advaithi also received a sign-on cash bonus of $3,000,000, which she is required to repay if, within 18 months of the employment commencement date, either she voluntarily terminates her employment with us (other than for good reason as defined in our Executive Severance Plan) or we terminate her employment for cause (as defined in our Executive Severance Plan). The sign-on grant and bonus were intended to replace amounts forfeited at Ms. Advaithi's former employer and provide further inducement for Ms. Advaithi to join the Company. We will also reimburse Ms. Advaithi for her documented and reasonable expenses that she incurs in her relocation to the San Francisco Bay Area.

Ms. Advaithi's employment may be terminated by Ms. Advaithi or the Company at any time, with or without cause. In the event that Ms. Advaithi terminates her employment for good reason (a material diminution in position, authority, duties or responsibilities; assignment of any duties materially inconsistent with status as an officer; failure by the Company to obtain the written assumption of the executive severance plan by a successor to the Company; a material reduction in target base salary and target bonus opportunity; or mandatory relocation of 50 miles or more), Ms. Advaithi would be entitled to receive (i) subject to execution and non-revocation of a standard release of claims, accelerated vesting and payment of her sign-on compensation, and (ii) (a) two years' continued payment of base salary and two years of her target annual bonus amount, (b) two years' continued vesting of outstanding equity awards and deferred compensation, and (c) two years' continued benefits coverage.

Benefits

Executive Perquisites

Perquisites represent a small part of the overall compensation program for the named executive officers. In fiscal year 2019, 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 and provided use of the Company plane for Ms. Advaithi during her relocation period to facilitate rapid on-boarding and Company performance improvement, 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 2019. 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. As noted above, we also provided Ms. Advaithi with access to the Company plane for her travel between the location of her prior employer and Flex's headquarters during her transition period into the role of Flex's new CEO. While this decision was made in order to facilitate rapid on-boarding and accelerate the pace of performance improvement for the Company, IRS and SEC tax and disclosure rules require that we report these as additional benefits provided to Ms. Advaithi. 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 $185,910 for the incremental taxes due as a result of his relocation to the Company's San Jose facility.

As noted above, the Company will also reimburse Ms. Advaithi for her documented and reasonable expenses that she incurs in her relocation to the San Francisco Bay Area. See the "All Other Compensation" column in the Summary Compensation Table.

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 2019, 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 2019, the Company made required contributions aggregating approximately $80,199 (this amount been converted into dollars from Euros based on the average exchange rate for the 2019 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. These benefits are described and quantified under the section entitled "*Executive Compensation—Potential Payments Upon Termination or Change of Control*."

On January 17, 2019, the Compensation Committee adopted the Flex Ltd. Executive Severance Plan (the "Severance Plan"). The Severance Plan covers senior level employees of the Company, including the Company's Chief Financial Officer and other named executive officers, but not including the Company's Chief Executive Officer. Under the Severance Plan, in the event of a termination of employment by the Company without "cause" or by a participant for "good reason" (each such term as defined in the Severance Plan), the participant will receive the following benefits, subject to the participant entering into and complying with a transition and release agreement in a form provided by the Company ("Transition Agreement"):

- continuation of base salary and benefits coverage for 12 months during the transition period provided in the Transition Agreement (12 months or longer);
- continued vesting of restricted stock units, performance-based restricted share units, performance share units, long-term free cash flow awards and deferred compensation awards during the transition period;
- payment of the quarterly bonus for any full quarter completed prior to the commencement of the transition period, and a pro-rated portion of the participant's annual bonus based on the quarters for which the participant received a quarterly bonus, calculated and determined per plan rules and Company policies; and
- following the transition period, subject to the participant signing an additional release of claims and reaffirming compliance of the participant's obligations under the Transition Agreement, accelerated vesting of restricted share units and deferred compensation awards that would have vested during the one-year period following the transition period.

During the transition period, the participant will be required to discharge his or her transition duties and comply with other terms and conditions to be set forth in the Transition Agreement, including customary non-competition, non-solicitation, non-disclosure, non-disparagement and cooperation provisions. Any violation of such obligations may result in cessation of benefits and clawback rights of the Company.

For a discussion of severance arrangements for our Chief Executive Officer, please see the discussion under "*Compensation Arrangements for Ms. Advaithi*" above.

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 that are not approved by our Board.

On December 24, 2018, the Company entered into a Separation Agreement and Release of Claims (the "Separation Agreement") with Mr. McNamara, which provided for Mr. McNamara's retirement from his position as Chief Executive Officer on December 31, 2018 (the "Separation Date") and his resignation from the Company's Board of Directors and the boards of directors of any Company subsidiaries and affiliates as of the Separation Date. Under the terms of the Separation Agreement, in consideration for a general release, Mr. McNamara was eligible to receive the following payments and benefits: (i) a lump sum amount equal to twelve (12) months of his base salary in effect as of immediately prior to the Separation Date, amounting to $1,250,000, payable within five (5) business days following the effective date of the Separation Agreement, which shall be the day following the applicable seven (7)-day revocation period for the Separation Agreement; (ii) acceleration of Mr. McNamara's time-vesting RSUs that would have vested during calendar year 2019 had Mr. McNamara remained continuously employed by the Company through June of 2019, amounting to 347,985 shares; and (iii) for the period commencing January 1, 2019 through the date that Mr. McNamara attains age 65, the Company will make available to Mr. McNamara group health insurance plan coverage through the Flex Executive Retiree PPO Plan at the Company's expense. The payments and benefits set forth in the preceding clauses (i) and (ii) are subject to a clawback on the part of the Company if the Company determines in good faith that Mr. McNamara has breached the Separation Agreement, including customary non-disclosure, non-disparagement and cooperation provisions. In accordance with the terms of Mr. McNamara's previously awarded PSUs, Mr. McNamara's separation from service is a qualifying retirement, and a pro rata number of shares will be issued upon the vesting of the PSUs pursuant to the applicable performance criteria, subject to clawback rights of the Company. Mr. McNamara retained his vested Elementum profits interests but forfeited any unvested Elementum profits interests as of the Separation Date. All other equity compensation awards ceased to vest as of the Separation Date and were forfeited. In addition, Mr. McNamara was not eligible to receive any quarterly bonus for the quarter ended December 31, 2018 or any annual bonus for fiscal year 2019. The Separation Agreement further provides that Mr. McNamara's vested deferred compensation account will be paid in accordance with its terms and any unvested deferred compensation will be forfeited.

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
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, with the exception of Doug Britt, who became a named executive officer in fiscal year 2019 and is anticipated to be in compliance in fiscal year 2020.

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 that 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 2019 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.

EXECUTIVE COMPENSATION

The following table sets forth the fiscal years 2017, 2018 and 2019 compensation for:

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

The executive officers included in the Summary Compensation Table are referred to in this joint 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 joint proxy statement. Additional information about these plans and programs is included in the additional tables and discussions that follow the Summary Compensation Table.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)(5)	Bonus ($)(6)	Share Awards ($)(7)	Non-Equity Incentive Plan Compensation ($)(8)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(9)	All Other Compensation ($)(10)	Total ($)
Revathi Advaithi . . . . Chief Executive Officer(1)	2019	$ 165,865	$3,000,000	$ 1,999,995	$ 234,792	—	$ 118,113	$ 5,518,765
Michael M. McNamara . . .	2019	$ 937,500	$ 529,066	$ 9,396,082	$ 231,250	$ 369,081	$1,291,530	$12,754,509
Former Chief Executive	2018	$1,250,000	$ —	$11,658,039	$2,232,217	$ 981,288	$ 48,688	$16,170,232
Officer(2)	2017	$1,250,000	$ —	$10,484,437	$1,969,700	$1,045,591	$ 43,877	$14,793,605
Christopher Collier	2019	$ 700,000	$ 279,966	$ 5,368,426	$ 512,849	$ 90,201	$ 79,222	$ 7,030,664
Chief Financial Officer	2018	$ 700,000	$ —	$ 2,226,994	$1,149,454	$ 215,588	$ 55,083	$ 4,347,119
	2017	$ 700,000	$ —	$ 2,092,574	$1,228,901	$ 147,039	$ 44,683	$ 4,213,196
Francois P. Barbier	2019	$ 710,000	$ —	$ 5,214,111	$ 520,176	$ 23,717	$ 422,750	$ 6,890,754
President, Global	2018	$ 710,000	$ —	$ 2,058,517	$1,149,483	$ 26,032	$ 451,681	$ 4,395,713
Operations and Components	2017	$ 710,000	$ —	$ 2,054,338	$1,185,715	$ 46,979	$ 470,267	$ 4,467,298
Douglas Britt . . . . President, Flex Integrated Solutions(3)	2019	$ 682,500	$ 216,981	$ 6,725,761	$1,016,384	$ —	$ 12,498	$ 8,654,124
Paul Humphries	2019	$ 710,000	$ 288,532	$ 5,214,111	$ 815,264	$ 66,465	$ 13,476	$ 7,107,848
President, High	2018	$ 710,000	$ —	$ 2,080,695	$1,695,865	$ 170,307	$ 21,583	$ 4,678,450
Reliability Solutions	2017	$ 710,000	$ —	$ 2,061,907	$1,700,645	$ 128,118	$ 22,351	$ 4,623,021
Scott Offer	2019	$ 559,116	$ —	$ 4,514,224	$ 370,803	$ —	$ 14,115	$ 5,458,258
Executive Vice President,	2018	$ 550,000	$ —	$ 1,417,165	$ 441,979	$ —	$ 12,215	$ 2,421,359
General Counsel and former Acting Chief Executive Officer(4)	2017	$ 316,955	$ 625,000	$ 3,275,200	$ 244,077	$ —	$ 6,193	$ 4,467,424

(1) Ms. Advaithi was appointed Chief Executive Officer effective February 11, 2019.

(2) Mr. McNamara retired from his position of Chief Executive Officer effective December 31, 2018.

(3) Mr. Britt became a named executive officer of the Company in fiscal year 2019.

(4) Mr. Offer served as Acting Chief Executive Officer from February 5, 2019 until February 11, 2019.

(5) Each of the above mentioned named executive officers, except Ms. Advaithi and Mr. Barbier, contributed a portion of their fiscal year 2019 salary to their 401(k) savings plan account. All amounts contributed are included under this column.

(6) This column shows (except with respect to Ms. Advaithi and 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 joint proxy statement and the discussion under the section entitled "Nonqualified Deferred Compensation in Fiscal Year 2019" of this joint proxy statement. The amount shown for Ms. Advaithi for fiscal year 2019 is a sign-on bonus paid upon commencement of employment with Flex, which she is required to repay if, within 18 months of her employment commencement date, either she voluntarily terminates her employment with us (other than for good reason as defined in our Executive Severance Plan) or we terminate her employment for cause (as defined in our Executive Severance Plan). The amount shown for Mr. Offer for fiscal year 2017 is for a sign-on bonus paid upon commencement of employment with Flex.

(7) Share awards consist of service-based RSUs, PSUs and, for fiscal year 2017, 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 2017, 2018 and 2019, calculated in accordance with FASB ASC Topic 718. The TSR PSUs included in this column are at the target number of shares as follows for fiscal year 2019: 329,225 PSUs, or $4,721,087 for Mr. McNamara; 82,306 PSUs, or $1,180,268 for Mr. Collier; 76,899 PSUs, or $1,102,732 for Mr. Barbier; 76,899 PSUs, or $1,102,732 for Mr. Britt; 76,899 PSUs, or $1,102,732 for Mr. Humphries; and 52,376 PSUs, or $751,072 for Mr. Offer. For information about the treatment of Mr. McNamara's RSUs and PSUs upon his retirement, see the section entitled "*Compensation Discussion and Analysis—Termination and Change of Control Arrangements.*"

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, 2019.

(8) The amounts in this column represent incentive cash bonuses earned in fiscal year 2019, For additional information, see the section entitled "*Compensation Discussion and Analysis—Fiscal Year 2019 Executive Compensation—Incentive Bonus Plan*" of this joint proxy statement.

(9) The amount in this column for fiscal year 2019 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 2019. None of our NEOs participated in any defined benefit or actuarial pension plans in fiscal year 2019. 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 2019 table of this joint proxy statement for additional information.

(10)The following table provides a breakdown of compensation included in the "All Other Compensation" column for fiscal year 2019:

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 ($)(5)	Other ($)(6)	Total ($)
Revathi Advaithi	$ —	$ 247	$71,355	$ 46,511	$ —	$ —	$ 118,113
Michael M. McNamara	$ 1,625	$ 8,038	$31,822	$ —	$ —	$1,250,000	$1,291,530
Christopher Collier	$11,000	$ 2,087	$66,135	$ —	$ —	$ —	$ 79,222
Francois P. Barbier	$80,199	$36,415	$ —	$106,940	$199,196	$ —	$ 422,750
Douglas Britt	$10,088	$ 2,410	$ —	$ —	$ —	$ —	12,498
Paul Humphries	$11,000	$ 2,476	$ —	$ —	$ —	$ —	$ 13,476
Scott Offer	$11,150	$ 2,965	$ —	$ —	$ —	$ —	$ 14,115

(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, Britt, 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 2019 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. Mr. McNamara's amount includes $2,136 for executive long-term disability and $5,947 for executive retiree medical. An amount equal to $33,884 paid to Mr. Barbier was converted into dollars from Euros based on the average exchange rate for the 2019 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 that would have been incurred regardless of whether there was any personal use of aircraft.

(4) These amounts represent the costs associated with Ms. Advaithi's and Mr. Barbier's respective relocation and commuting to the Company's San Jose facility. The relocation and commuting amounts for Ms. Advaithi represent housing expenses of $39,797 and transportation expenses of $6,714. The relocation amounts for Mr. Barbier represent housing allowances of $79,200, vehicle allowances of $14,400, relocation fees of $1,053 and Home Leave Airfare of $12,287.

(5) For Mr. Barbier, the amount includes reimbursement of $185,910 for the incremental taxes due as a result of his relocation to the Company's San Jose facility, $500 for taxes dues on tax preparation fees and $12,786 for the payment of Basic Social Security (which amount was converted into dollars from Euros based on the average exchange rate for the 2019 fiscal year). See the section entitled "*Compensation Discussion and Analysis—Benefits—Executive Perquisites*" of this joint proxy statement.

(6) For Mr. McNamara, the amount represents a $1,250,000 severance payment made by the Company upon his retirement during fiscal year 2019.

Grants of Plan-Based Awards in Fiscal Year 2019

The following table presents information about non-equity incentive plan awards and restricted share and performance share unit awards that we granted in our 2019 fiscal year to our named executive officers. We did not grant any stock options to our named executive officers during our 2019 fiscal year.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards)			All Other Share Awards: Number of Shares of Stock or Units (#)(4)	Grant Date Fair Value of Share Awards ($)(5)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Revathi Advaithi	2/13/2019		$ 234,792					195,312	$1,999,995
Michael M. McNamara	6/19/2018	(2)			82,306	329,225	658,450		$4,721,087
	6/19/2018							329,225	$4,674,995
		$1,250,000	$2,500,000	$6,250,000					
Christopher Collier	6/19/2018	(2)			20,576	82,306	164,612		$1,180,268
	6/19/2018							82,306	$1,168,745
	12/7/2018	(3)				59,453			$ 500,000
	3/5/2019							242,718	$2,519,413
		$ 385,000	$ 770,000	$1,925,000					
Francois P. Barbier	6/19/2018	(2)			19,224	76,899	153,798		$1,102,732
	6/19/2018							76,899	$1,091,966
	12/7/2018	(3)				59,453			$ 500,000
	3/5/2019							242,718	$2,519,413
		$ 390,500	$ 781,000	$1,952,500					
Doug M. Britt	6/19/2018	(2)			19,224	76,899	153,798		$1,102,732
	6/19/2018							76,899	$1,091,966
	12/7/2018	(3)				59,453			$ 500,000
	3/5/2019							388,349	$4,031,063
		$ 390,500	$ 781,000	$1,952,500					
Paul Humphries	6/19/2018	(2)			19,224	76,899	153,798		$1,102,732
	6/19/2018							76,899	$1,091,966
	12/7/2018	(3)				59,453			$ 500,000
	3/5/2019							242,718	$2,519,413
		$ 390,500	$ 781,000	$1,952,500					
Scott Offer	6/19/2018	(2)			13,094	52,376	104,752		$ 751,072
	6/19/2018							52,376	$ 743,739
	12/7/2018	(3)				59,453			$ 500,000
	3/5/2019							242,718	$2,519,413
		$ 281,875	$ 563,750	$1,409,375					

(1) These amounts show the range of possible payouts under our cash incentive programs for fiscal year 2019. 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 the annual incentive bonus plan, the amounts actually earned for fiscal year 2019 are reported as Non-Equity Incentive Plan Compensation in the Summary Compensation Table. Ms. Advaithi received a pro-rated bonus at target due to her limited time as CEO in fiscal year 2019. For additional information, see the section entitled "*Compensation Discussion and Analysis—Fiscal Year 2019 Executive Compensation—Incentive Bonus Plan" and "Compensation Discussion and Analysis—Fiscal Year 2019 Executive Compensation—Long-Term Share-Based Incentive Compensation*" of this joint proxy statement.

(2) These rows show the range of estimated future vesting of TSR PSUs granted in fiscal year 2019 under our 2017 Equity Incentive Plan. The TSR 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. For additional information, see the section entitled "*Compensation Discussion and Analysis—Fiscal Year 2019 Executive Compensation—Long-Term Share-and Cash-Based Incentive Compensation*" of this joint proxy statement.

(3) Shows the number of Stock-Price Based PSUs granted on December 7, 2018 as special retention grants. The shares will vest provided that each named executive officer's continued employment through the applicable measurement date and upon the achievement of the performance conditions as follows: (i) 50% of the PSU will vest if the closing trading price of the Ordinary Shares exceeds $12.00 (the "Hurdle Price") for any 20 consecutive trading days during the period between the first and second anniversaries of the date of grant, and (ii) 50% of the PSUs will vest if the closing trading price of the Ordinary Shares exceeds the Hurdle Price for any 20 consecutive trading days during the period between the second and the third anniversaries of the date of grant; provided that if the PSUs do not vest under (i), 100% of the PSUs will vest if the conditions in (ii) are satisfied.

(4) Shows the number of service-based RSUs granted June 19, 2018 under our 2017 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 Ms. Advaithi, shows her sign-on service-based RSU award, which vests in three annual installments at a rate of 1/3 per year, subject to continued employment through the vesting dates. Also shows retention grants of RSUs made on March 5, 2019 which will vest, subject to the executive officer's continued employment with the Company, on the second anniversary of the grant date. For additional information, see the section entitled "*Compensation Discussion and Analysis—Long-Term Share-Based Incentive Compensation—Grants During Fiscal Year 2019*" of this joint proxy statement.

(5) 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 2019. 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 Stock Price-Based PSUs, the grant date fair value is the closing price of our Ordinary Shares on the grant date. For TSR PSUs 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, 2019. 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 2019 Fiscal Year-End

The following table presents information about outstanding share awards held by our named executive officers as of March 31, 2019. The table shows information about: (i) service-based RSUs and (ii) PSUs.

The market value of the share awards is based on the closing price of our Ordinary Shares as of March 29, 2019, which was $10.00. 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-Based Incentive Compensation*" of this joint 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 ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(1)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(2)
Revathi Advaithi	195,312(2)	$1,953,120	—	$ —
Michael M. McNamara	—	$ —	2,064,874(3)	$20,648,740
Christopher Collier	462,391(4)	$4,623,910	405,069(5)	$ 4,050,690
Francois P. Barbier	450,143(6)	$4,501,430	384,851(7)	$ 3,848,510
Doug Britt	575,401(8)	$5,754,010	358,573(9)	$ 3,585,730
Paul Humphries	451,581(10)	$4,515,810	387,307(11)	$ 3,873,070
Scott Offer	475,256(12)	$4,752,560	217,753(13)	$ 2,177,530

(1) This column includes TSR PSUs granted in fiscal years 2017, 2018 and 2019 under our 2010 Equity Incentive Plan (the 2010 Plan) and 2017 Plan based on a 200% payout, and also stock price-based PSUs. For grants made in fiscal year 2017, 2018 and 2019, 100% of the TSR PSUs vest after three years, if the performance criteria are met. Vesting of the TSR PSUs for 2017, 2018 and 2019 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. Vesting for the stock-priced PSUs will depend on achieving certain stock price conditioned.

(2) TSR PSUs for the 2016-2019 cycle had no payout and the relative TSR cycles as of the end of fiscal 2019 (2017-2020 and 2018-2021) are projected to have no payout unless Flex experienced significant share price improvement going forward.

(3) 195,312 shares vest at a rate of 65,104 shares per year for three years with the first vesting date of February 11, 2020.

(4) 733,230 shares vest on June 14, 2019 assuming a maximum payout of 200% (due to the current share price and the free-cash flow below threshold levels, the actual payout resulted in 0% of target); 673,194 shares vest on June 29, 2020 assuming a maximum payout of 200%; and 658,450 shares vest on June 19, 2021 assuming a maximum payout of 200%. In accordance with the terms of Mr. McNamara's previously awarded PSUs, Mr. McNamara's separation from service was a qualifying retirement, and a pro rata number of shares will be issued upon the vesting of the PSUs pursuant to the applicable performance criteria, subject to clawback rights of the Company.

(5) 25,827 shares vest on June 10, 2019; 48,428 shares vest at a rate of 24,214 shares per year for two years, with the first vesting date on June 14, 2019; 63,112 shares vest at a rate of 21,037 shares per year for three years, with the first vesting date on June 29, 2019; 82,306 shares vest at a rate of 20,576 per year for four years, with the first vesting date on June 19, 2019; and 242,718 shares will vest in full on March 5, 2021.

(6) 96,856 shares vest on June 14, 2019 assuming a maximum payout of 200% (due to the current share price, the actual payout resulted in 0% of target); 84,148 shares vest on June 29, 2020 assuming a maximum payout of 200%, 164,612 shares vest on June 19, 2021 assuming a maximum payout of 200%; and 59,453 shares vest by December 7, 2021 assuming certain stock price conditions are met.

(7) 25,279 shares vest on June 10, 2019; 46,909 shares vesting at a rate of 23,454 shares per year over two years with the first vesting date on June 14, 2019; 58,338 shares vesting at a rate of 19,446 per year over three years with the first vesting date on June 29, 2019; 76,899 shares vest at a rate of 19,224 per year over four years with the first vesting date on June 19, 2019; and 242,718 shares will vest in full on March 5, 2021.

(8) 93,818 shares vest on June 14, 2019 assuming a maximum payout of 200% (due to the current share price, the actual payout resulted in 0% of target); 77,782 shares vest on June 29, 2020 assuming a maximum payout of 200%; 153,798 shares vest on June 19, 2021 assuming a maximum payout of 200%; and 59,453 shares to vest by December 7, 2021 assuming certain stock price conditions are met.

(9) 20,661 shares vest on June 10, 2019; 39,002 shares vest at a rate of 19,501 shares per year for two years, with the first vesting on June 14, 2019; 50,490 shares vest at a rate of 16,830 shares per year for three years, with the first vesting date on June 29, 2019; 76,899 shares vest at a rate of 19,224 shares per year for four years, with the first vesting date on June 19, 2019; and 388,349 shares will vest in full on March 5, 2021.

(10) 78,004 shares vest on June 14, 2019, assuming a maximum payout of 200% (due to the current share price, the actual payout resulted in 0% of target), 67,318 shares vest on June 29, 2020, assuming a maximum payout of 200%; 153,798 shares vest on June 19, 2021, assuming a maximum pay out of 200%; and 59,453 shares to vest by December 7, 2021 assuming certain stock price conditions are met.

(11) 25,279 share vest on June 10, 2019; 47,719 shares vest at a rate of 23,859 shares per year for two years, with the first vesting date on June 14, 2019; 58,966 shares vest at a rate of 19,655 shares per year for three years, with the first vesting date on June 29, 2019;76,899 shares vest at a rate of 19,224 shares per year for four years, with the first vesting date of June 19, 2019; and 242,718 shares will vest in full on March 5, 2021.

(12) 95,436 shares vest on June 14, 2019 assuming a maximum payout of 200% (due to the current share price, the actual payout resulted in 0% of target); 78,620 shares vest on June 29, 2020 assuming a maximum payout of 200%; 153,798 shares vest on June 19, 2021 assuming a maximum payout of 200%; and 59,453 shares to vest by December 7, 2021 assuming certain stock price conditions are met.

(13) 90,000 shares vest at a rate of 45,000 shares per year for two years with the first vesting date on November 30, 2019; 50,000 shares vest on November 30, 2019; 40,162 shares vest at a rate of 13,387 shares per year for three years with the first vesting on June 29, 2019; 52,376 shares vest at a rate of 13,094 shares per year for four years with the first vesting date on June 19, 2019; and 242,718 shares will vest in full on March 5, 2021.

(14)53,548 shares vest on June 29, 2020 assuming a maximum payout of 200% (due to the current share price, the actual payout resulted in 0% of target); 104,752 shares vest on June 19, 2021 assuming a maximum payout of 200%; and 59,453 shares vest on December 7, 2021 assuming certain stock price conditions are met.

Option Exercises and Shares Vested in Fiscal Year 2019

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 2019 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 2019 and the NEOs do not hold any unexercised options.

	Share Awards	
Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(1)
Revathi Advaithi	—	$ —
Michael M. McNamara	1,017,577	$12,759,209
Christopher Collier	152,764	$ 2,163,734
Francois P. Barbier	146,268	$ 2,071,553
Doug Britt	114,582	$ 1,621,775
Paul Humphries	146,882	$ 2,080,176
Scott Offer	58,387	$ 582,641

(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 2019

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

Nonqualified Deferred Compensation in Fiscal Year 2019

Each of our named executive officers participates in our 2010 Deferred Compensation Plan, except for Mr. Barbier, who no longer participates in this plan, and Mr. McNamara (who, in connection with his retirement, will be paid his vested deferred compensation in accordance with its terms and forfeited his unvested deferred compensation as of December 31, 2018). 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. 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. For these annual contributions, 50% of the funding is paid as a percent of base salary and the remaining 50% is performance-based, up to a maximum of 150%. This aligns to the distribution of performance and time-based elements in our other long-term compensation programs. 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 2019 Executive Compensation—Long-Term Deferred Compensation Awards" of this joint proxy statement and "Executive Compensation—Potential Payments Upon Termination or Change of Control*" below.

The following table presents information for fiscal year 2019 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 2019, Messrs. McNamara, Britt, Collier, Humphries and Offer each received deferred compensation awards that averaged approximately 28.6% of their 2018 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)
Revathi Advaithi	$ —	$ —	$ —	$ —	$ —
Michael M. McNamara(5)	$ —	$357,994	$381,682	$ —	$19,660,437
Christopher Collier	$207,412	$200,477	$265,408	$ —	$ 4,224,876
Francois P. Barbier(6)	$ —	$ —	$ 23,717	$ —	$ 993,510
Douglas Britt	$ —	$171,837	$ 26,541	$232,905	$ 763,731
Paul Humphries	$946,652	$203,340	$261,328	$297,848	$ 5,009,527
Scott Offer	$ 84,604	$157,517	$ (90,091)	$ —	$ 307,895

(1) Reflects the salary payments deferred by our named executive officers during the fiscal year. 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, 2019. 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 2019 Executive Compensation—Long-Term Deferred Compensation Awards"* of this joint 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—$19,660,437; Christopher Collier—$2,052,679; Francois P. Barbier—$1,090,158; and Paul Humphries—$1,252,004. The amounts in this column include the following unvested balances related to the respective 2010 deferred compensation plan account of the named executive officers: Christopher Collier—$1,166,978; Douglas Britt—$597,456; Paul Humphries—$832,418; and Scott Offer—$210,916.

(5) In connection with Mr. McNamara's retirement, his vested deferred compensation account will be paid to him in accordance with its terms and any unvested deferred compensation was forfeited effective December 31, 2018, and excluded from the table above.

(6) 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 joint proxy statement, our named executive officers do not have employment 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, 2019 is listed above in the Outstanding Equity Awards at 2019 Fiscal Year-End table. All unvested outstanding equity awards held by our named executive officers at the end of fiscal year 2019 were granted under the 2010 Plan and 2017 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 2010 Plan and 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. Barbier 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 the 2010 Plan and the 2017 Plan (together, 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, 195,312 of Ms. Advaithi's unvested restricted share unit awards, 694,652 of Mr. Collier's unvested restricted and performance share unit awards, 672,295 of Mr. Barbier's unvested restricted and performance share unit awards, 784,414 of Mr. Britt's unvested restricted and performance share unit awards, 674,961 of Mr. Humphries' unvested restricted and performance share unit awards, and 613,859 of Mr. Offer's unvested restricted and performance share unit awards are subject to the above-described change in control provision.

2019 Severance Plan

On January 17, 2019, the Compensation Committee adopted the Flex Ltd. Executive Severance Plan (the "Severance Plan"). The Severance Plan covers senior level employees of the Company, including the Company's Chief Financial Officer and other named executive officers, but not including the Company's Chief Executive Officer. Under the Plan, in the event of a termination of employment by the Company without "cause" or by a participant for "good reason" (each such term as defined in the Plan), the participant will receive the following benefits, subject to the participant entering into and complying with a transition and release agreement in a form provided by the Company ("Transition Agreement"):

- continuation of base salary and benefits coverage for 12 months during the transition period provided in the Transition Agreement (12 months or longer) and payment of quarterly bonus earned for full quarters completed prior to the termination and pro rata annual bonus;
- continued vesting of restricted share units, performance share units, long-term free cash flow awards and deferred compensation awards during the transition period; and
- following the transition period, subject to the participant signing an additional release of claims and reaffirming compliance of the participant's obligations under the Transition Agreement, accelerated vesting of restricted share units and deferred compensation awards that would have vested during the one-year period following the transition period.

During the transition period, the participant will be required to discharge his or her transition duties and comply with other terms and conditions to be set forth in the Transition Agreement, including customary non-competition, non-solicitation, non-disclosure, non-disparagement and cooperation provisions. Any violation of such obligations may result in cessation of benefits and clawback rights of the Company.

There are no tax gross-ups in the severance plan.

Separation Agreement

On December 24, 2018, the Company entered into a Separation Agreement and Release of Claims (the "Separation Agreement") with Mr. McNamara, which provided for Mr. McNamara's retirement from his position as Chief Executive Officer on December 31, 2018 (the "Separation Date") and his resignation from the Company's Board of Directors and the boards of directors of any Company subsidiaries and affiliates as of the Separation Date. Under the terms of the Separation Agreement, in consideration for a general release, Mr. McNamara was eligible to receive the following payments and benefits: (i) a lump sum amount equal to twelve (12) months of his base salary in effect as of immediately prior to the Separation Date, amounting to $1,250,000, payable within five (5) business days following the effective date of the Separation Agreement, which shall be the day following the applicable seven (7)-day revocation period for the Separation Agreement; (ii) acceleration of Mr. McNamara's time-vesting RSUs that would have vested during calendar year 2019 had Mr. McNamara remained continuously employed by the Company through June of 2019, amounting to 347,985 shares; and (iii) for the period commencing January 1, 2019 through the date that Mr. McNamara attains age 65, the Company will make available to Mr. McNamara group health insurance plan coverage through the Flex Executive Retiree PPO Plan at the Company's expense. The payments and benefits set forth in the preceding clauses (i) and (ii) are subject to a clawback on the part of the Company if the Company determines in good faith that Mr. McNamara has breached the Separation Agreement, including customary non-disclosure, non-disparagement and cooperation provisions. In accordance with the terms of Mr. McNamara's previously awarded PSUs, Mr. McNamara's separation from service is a qualifying retirement, and a pro rata number of shares will be issued upon the vesting of the PSUs pursuant to the applicable performance criteria, subject to clawback rights of the Company. Mr. McNamara retained his vested Elementum profits interests but forfeited any unvested Elementum profits interests as of the Separation Date. All other equity compensation awards ceased to vest as of the Separation Date and were forfeited. In addition, Mr. McNamara was not eligible to receive any quarterly bonus for the quarter ended December 31, 2018 or any annual bonus for fiscal year 2019. The Separation Agreement further provides that Mr. McNamara's vested deferred compensation account will be paid in accordance with its terms and any unvested deferred compensation will be forfeited.

Potential Payments Upon Termination or Change in Control as of March 31, 2019

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 and performance 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, (iii) involuntary termination without cause or voluntary termination for good reason under the Company's Severance Plan or (iv) retirement.

Calculations for this table assume that the triggering event took place on March 29, 2019, the last business day of our 2019 fiscal year, and are based on the price per share of our Ordinary Shares on such date, which was $10.00. 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	Change in Control and No Assumption of Award (1)	Involuntary Termination without Cause or Voluntary Termination for Good Reason (2)	Retirement (3)
Revathi Advaithi				
Base Salary Payment (Continuation)(4)	$2,300,000	$ —	$2,300,000	$ —
Benefits(4)	$ 41,336	$ —	$ 41,336	$ —
Bonus Payments(4)	$3,450,000	$ —	$3,450,000	$ —
Accelerated Vesting of Deferred Compensation(4)(5)	$ —	$ —	$ —	$ —
Accelerated Vesting of Service-based RSUs(4)	$1,953,120	$1,953,120	$1,953,120	$ —
Pro Rata Vesting of PSUs	$ —	$ —	$ —	$ —
Total	$7,744,456	$1,953,120	$7,744,456	$ —
Michael McNamara(6)				
Base Salary Payment	$ —	$ —	$ —	$ 1,250,000
Benefits	$ —	$ —	$ —	$ 23,788
Vested Deferred Compensation	$ —	$ —	$ —	$19,660,437
Accelerated Vesting of Service-based RSUs	$ —	$ —	$ —	$ 3,278,019
Accelerated Vesting of Performance-based RSUs	$ —	$2,231,803(10)	$ —	$ —
Pro Rata Vesting of PSUs	$ —	$ —	$ —	$ 2,231,803(10)
Total	$ —	$2,231,803	$ —	$26,444,047

Name	Change in Control with Termination	Change in Control and No Assumption of Award (1)	Involuntary Termination without Cause or Voluntary Termination for Good Reason (2)	Retirement (3)
Christopher Collier				
Base Salary Payment (Continuation)(7)	$ 700,000	$ —	$ 700,000	$ —
Benefits(7)	$ 19,926	$ —	$ 19,926	$ —
Bonus Payments(8)	$ 512,849	$ —	$ 512,849	$ 512,849
Accelerated Vesting of Deferred Compensation(5)	$ 545,502	$ —	$ 545,502	$ —
Accelerated Vesting of Service-based RSUs	$4,368,730(9)	$4,623,910	$4,368,730(9)	$ —
Accelerated Vesting of Performance-based RSUs	$ 594,530(9)	$2,322,610	$ 594,530(9)	$ —
Pro Rata Vesting of PSUs	$ —	$ —	$ —	$ —
Total	$6,741,537	$6,946,520	$6,741,537	$ 512,849
Francois P. Barbier				
Base Salary Payment (Continuation)(7)	$ 710,000	$ —	$ 710,000	$ —
Benefits(7)	$ 130,172	$ —	$ 130,172	$ —
Bonus Payments(8)	$ 520,175	$ —	$ 520,175	$ 520,175
Accelerated Vesting of Deferred Compensation(5)	$ —	$ —	$ —	$ —
Accelerated Vesting of Service-based RSUs	$4,206,830(9)	$4,501,430	$4,206,830(9)	$ —
Accelerated Vesting of Performance-based RSUs	$ 594,530(9)	$2,221,520	$ 594,530(9)	$ —
Pro Rata Vesting of PSUs	$ —	$ —	$ —	$ 426,670(10)
Total	$6,161,707	$6,722,950	$6,161,707	$ 946,845
Douglas Britt				
Base Salary Payment (Continuation)(7)	$ 710,000	$ —	$ 710,000	$ —
Benefits(7)	$ 19,958	$ —	$ 19,958	$ —
Bonus Payments(8)	$1,016,384	$ —	$1,016,384	$ 1,016,384
Accelerated Vesting of Deferred Compensation(5)	$ 428,322	$ —	$ 428,322	$ —
Accelerated Vesting of Service-based RSUs	$5,485,570(9)	$5,754,010	$5,485,570(9)	$ —
Accelerated Vesting of Performance-based RSUs	$ 594,530(9)	$2,090,130	$ 594,530(9)	$ —
Pro Rata Vesting of PSUs	$ —	$ —	$ —	$ —
Total	$8,254,764	$7,844,140	$8,254,764	$ 1,016,384

Name	Change in Control with Termination	Change in Control and No Assumption of Award (1)	Involuntary Termination without Cause or Voluntary Termination for Good Reason (2)	Retirement (3)
Paul Humphries				
Base Salary Payment (Continuation)(7)	$ 710,000	$ —	$ 710,000	$ —
Benefits(7)	$ 14,764	$ —	$ 14,764	$ —
Bonus Payments(8)	$ 815,264	$ —	$ 815,264	$ 815,264
Accelerated Vesting of Deferred Compensation(5)	$ 548,756	$ —	$ 548,756	$ —
Accelerated Vesting of Service-based RSUs	$4,219,110(9)	$4,515,810	$4,219,110(9)	$ —
Accelerated Vesting of Performance-based RSUs	$ 594,530(9)	$2,233,800	$ 594,530(9)	$ —
Pro Rata Vesting of PSUs	$ —	$ —	$ —	$ 429,110(10)
Total	$6,902,424	$6,749,610	$6,902,424	$ 1,244,374
Scott Offer				
Base Salary Payment (Continuation)(7)	$ 605,000	$ —	$ 605,000	$ —
Benefits(7)	$ 19,482	$ —	$ 19,482	$ —
Bonus Payments(8)	$ 370,803	$ —	$ 370,803	$ 370,803
Accelerated Vesting of Deferred Compensation(5)	$ —	$ —	$ —	$ —
Accelerated Vesting of Service-based RSUs	$4,134,660(9)	$4,752,560	$4,134,660(9)	$ —
Accelerated Vesting of Performance-based RSUs	$ 594,530(9)	$1,386,030	$ 594,530(9)	$ —
Pro Rata Vesting of PSUs	$ —	$ —	$ —	$ —
Total	$5,724,475	$6,138,590	$5,724,475	$ 370,803

(1) The amounts shown represent the estimated value of the accelerated vesting of restricted and performance share unit awards (at target) 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, 2019, the assumed date of the triggering event.

(2) The amounts shown represent, except for Ms. Advaithi, the estimated value of amounts payable under the Company's Severance Plan, subject to the participant entering into and complying with a Transition Agreement.

(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. The amounts reported assume vesting at 100% of target shares.

(4) Represents two years' continued payment of base salary and two years of target annual bonus amount, two years' continued vesting of outstanding equity awards and deferred compensation, and two years' continued benefits coverage.

(5) The amount shown 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 retirement.

(6) Mr. McNamara retired on December 31, 2018 and the amounts set forth under the "Retirement" reflect the actual amounts paid to Mr. McNamara in connection with his retirement. The amount reported for pro rata vesting of PSUs reflects the estimated payouts at target for his TSR and free cash flow PSUs. Value shown for benefits represents an annual value of company-paid retiree executive medical.

(7) Represents the continuation of base salary and estimated benefits for 12 months during the transition period provided in the Transition Agreement (which may be 12 months or longer).

(8) Represents payment of a pro-rated portion of the participant's annual bonus based on the quarters for which the participant received a quarterly bonus, calculated and determined per plan rules and Company policies (calculated using annual target bonus amounts).

(9) Includes acceleration of retention awards granted on December 7, 2018 (stock price-based) and March 5, 2019 (service-based). These awards The RSUs have accelerated vesting in the event of a termination of employment by the Company without cause or by the executive officer for good reason prior to the vest date.

(10)The amounts shown do not include the TSR-based PSU (and the free cash flow based PSU for Mr. McNamara only) that would have vested on June 14, 2019. Due to the current share price and free-cash flow below threshold levels, the actual payout resulted in 0% of target.

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 an 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, 2019, 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, 2019, we had revenues of $26.2 billion. Approximately 88% 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 our contractor workforce, of whom approximately 97% are outside of the U.S. and approximately 91% 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 that are companies of similar size, scale, and complexity.

CEO Transition

Because we had a CEO transition in February 2019, in accordance with SEC rules, we have elected to annualize Ms. Advaithi's compensation for the period she has served as our CEO in order to determine her annual total compensation.

Fiscal Year 2019 Pay Ratio

We experienced a CEO transition during the fiscal year 2019 and we have elected to use the compensation of Ms. Revathi Advaithi, who joined Flex on February 11, 2019 and was in the role of CEO of Flex on March 31, 2019, in the calculation of this year's pay ratio. Because Ms. Advaithi was not employed by Flex for the entire fiscal year, we have annualized her compensation relative to the values disclosed in the Summary Compensation Table (SCT), as follows:

Element	SCT Value	Annualized Value	Considerations
Base Salary	$165,865	$1,150,000	Annualized to represent full year
Non-Equity Incentives	$234,792	$1,725,000	Annualized to represent full year
Sign-On Bonus	$3,000,000	$3,000,000	No annualization applied
Sign-On Equity	$1,999,995	$1,999,995	No annualization applied
All Other Compensation	$118,113	$850,414	Annualized to represent full year; primarily represents re-location costs and travel
Total Compensation	$5,518,765	**$8,725,409**	--

- As shown above, our CEO’s total annualized compensation for fiscal year 2019 was $8,725,409.
- The annual total compensation of our median employee among all non-contractor employees (excluding the CEO) was $6,471.
- Our CEO’s annual total compensation, as reported in the Summary Compensation Table, was $5,518,765.

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 1,348 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 that 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 in 2019, 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, 2019. No cost-of-living adjustments were made.

We selected March 31, 2019 as the date on which to determine our median employee. As of that date, we had 171,171 employees (not including our contractors), 164,254 of whom were located outside of the United States and approximately 154,136 of whom were located in emerging markets. This employee count excludes approximately 33,000 individuals who are 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 3,536 and 2,087 employees, respectively, in the aggregate representing approximately 3.3% of our global population. With these countries excluded, we had 165,548 employees with 158,631 located outside of the United States.

Using this methodology, we determined that our median employee was a full-time, salaried employee working in Mexico. The employee’s annual total compensation in 2019 was approximately $6,471. For purposes of this disclosure, we converted the employee’s total compensation from Mexican Pesos to U.S. dollars using the exchange rate (19.3580 MXN to 1 USD) as of March 27, 2019.

Calculation of Median Employee’s Compensation and CEO’s Annualized Compensation

In determining the annual total compensation in 2019 of approximately $6,471 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 2019 in the Summary Compensation Table.

As a result of annualizing Ms. Advaithi’s annual total compensation for purposes of the CEO pay ratio calculation, her annual total compensation is $8,725,409, which differs from the amount reflected as her total compensation set forth in the Summary Compensation Table of $5,518,765.

EQUITY COMPENSATION PLAN INFORMATION

As of March 31, 2019, 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, 2019. The below does not reflect the effect of our fiscal 2020 grants under the 2017 Plan and the vesting of awards in fiscal 2020.

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)	14,521,320	$10.79	16,066,786(2)
Equity compensation plans not approved by shareholders(3)(4)	1,255,796(5)	$ 3.90	—
Total	15,777,116(6)	$ 3.93	16,066,786(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.'s 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 14,903,886 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 3,030,165 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 14, 2019, 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 14, 2019, and Ordinary Shares subject to restricted share unit awards that vest within 60 days of June 14, 2019 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 513,926,093 Ordinary Shares outstanding on June 14, 2019 plus the number of Ordinary Shares that such person or group had the right to acquire on or within 60 days after June 14, 2019.

	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	77,367,919	15.05%
Wellington Management Group LLP(2)		
280 Congress Street, Boston, MA 02210	48,334,433	9.40%

Name of Beneficial Owner	Shares Beneficially Owned	
	Number of Shares	Percent
Named Executive Officers and Directors:		
Revathi Advaithi	—	*
Francois Barbier(3)	162,124	*
Doug Britt(4)	128,576	*
Christopher Collier(5)	687,981	*
Paul Humphries(6)	399,575	*
Scott Offer(7)	105,108	*
Michael Capellas	107,080	*
Jill A. Greenthal	—	*
Jennifer Li	10,364	*
Marc Onetto(8)	76,929	*
Willy Shih	179,802	*
Charles K. Stevens, III	—	*
Lay Koon Tan	136,418	*
William Watkins	32,730	*
Lawrence Zimmerman	91,476	*
All executive officers and directors as a group (16 persons)(9)	2,153,736	0.42%

* Less than 1%.

(1) Based on information supplied by PRIMECAP Management Company in an amended Schedule 13G filed with the SEC on February 8, 2019. PRIMECAP Management Company has sole voting power over 41,174,546 shares and sole dispositive power over 77,367,919 shares.

(2) Based on information supplied by Wellington Management Group LLP in an amended Schedule 13G filed with the SEC on February 12, 2019. Wellington Management Group LLP, Wellington Group Holdings LLP and Wellington Investment Advisors Holdings LLP have shared voting power over 34,648,220 of these shares and shared dispositive power over 48,334,433 shares. Wellington Management Company LLP has shared voting power over 22,373,214 shares and shared dispositive power over 29,389,444 shares.

(3) Includes 38,670 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 14, 2019.

(4) Includes 36,054 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 14, 2019. Includes 5,007 shares owned by Mr. Britt's spouse.

(5) Includes 41,613 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 14, 2019.

(6) Includes 38,879 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 14, 2019.

(7) Includes 26,481 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 14, 2019.

(8) All shares held indirectly by a living trust, of which Mr. Onetto is a trustee.

(9) Includes 189,263 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 14, 2019.

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

The wife of Mr. Britt, the President, Flex Integrated Solutions of the Company, was employed by the Company in fiscal year 2019 (and presently). Kelly Britt was employed as Senior Director Business Development for CEC and earned approximately $245,000 in salary, share awards and benefits during fiscal year 2019.

Mr. McNamara, the Company's former CEO and former director, has a daughter-in-law, Lacey Ellis, who was employed by the Company in fiscal year 2019 (and presently). Ms. Ellis was employed as an attorney and earned approximately $182,000 in salary, bonus and benefits during fiscal year 2019.

The employment and compensation of the family members described above was approved and established by the Company in accordance the Statement of Policy with Respect to Related Person Transactions as described above and each 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.

Prior to joining the Company, our CEO, Ms. Advaithi, was President and Chief Operating Officer, Electrical Sector, of Eaton Corporation plc. Eaton Corporation plc and its subsidiaries (collectively, "Eaton") are suppliers to the Company. The Company made payments of $0.5 million to Eaton in the

Company's fiscal year 2019 and Eaton continues to be a supplier to the Company. These supply arrangements were made in the ordinary course and on arms-length terms and such ordinary course supply arrangements were made prior to discussions between the Company and Ms. Advaithi concerning her appointment.

Subsequent to Mr. McNamara's retirement from the Company, he became a general partner in a venture capital firm where the Company had an investment in three of its limited partnership investment vehicles. After Mr. McNamara's retirement, the Company sold its limited partnership interest to the limited partnership for an aggregate consideration of $31.6 million. The transaction was negotiated on arm's-length terms and without regard to Mr. McNamara's prior positions as CEO and a director of Flex.

Other than the foregoing and the compensation agreements and other arrangements described under the sections entitled "*Executive Compensation"* of this joint proxy statement and *"Non-Management Directors' Compensation for Fiscal Year 2019"* of this joint proxy statement, during fiscal year 2019, 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.

SHAREHOLDER PROPOSALS FOR THE 2020 ANNUAL GENERAL MEETING

Shareholder proposals submitted under SEC Rule 14a-8 and intended for inclusion in the proxy statement for our 2020 annual general meeting of shareholders must be received by us no later than March 12, 2020 in order to be deemed timely submissions. 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 2020 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 2020 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 2020 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 2020 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 2020 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, 2019:

- 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, 2019, which was filed with the SEC on May 21, 2019, 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, 2019. 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 2019 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, 2019.

OTHER MATTERS

Our management does not know of any matters to be presented at the extraordinary general meeting of shareholders or the 2019 annual general meeting other than those set forth herein and in the notices accompanying this joint proxy statement. If any other matters are properly presented for a vote at the extraordinary general meeting or the 2019 annual general meeting, the enclosed proxies confer discretionary authority to the individuals named as proxies to vote the shares represented by such proxy, as to those matters.

It is important that your shares be represented at the extraordinary general meeting and 2019 annual general meeting, regardless of the number of shares you hold. **We urge you to promptly execute and return the accompanying proxy cards in the envelope that has been enclosed for your convenience, or to vote or give voting instructions in accordance with the proxy cards or Notices**.

Registered shareholders who are present at the extraordinary general meeting and 2019 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, 2019, “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

Web links throughout this joint proxy statement are provided for convenience only, and the content on the referenced websites does not constitute part of this joint proxy statement.

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 the expectations expressed in the 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 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; the impact of component shortages, including its impact on our revenues; geopolitical risk, including the termination and renegotiation of international trade agreements and trade policies, including the impact of tariffs and related regulatory actions; that recently proposed changes or future changes in tax laws in certain jurisdictions where we operate could materially impact our tax expense; the effects that the current macroeconomic environment could have on our business and demand for our products; and 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 9, 2019
Singapore

Upon request, we will furnish without charge to each person to whom this joint 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, 2019. 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.

ANNEX A: PROPOSED AMENDMENTS TO THE 2016 CONSTITUTION

Annex A-1

The alterations which are proposed to be made to the 2016 Constitution of Flex Ltd. pursuant to EGM Proposal No. 1 set forth in the Notice of Extraordinary General Meeting dated July 9, 2019 are set out below. For ease of reference, the full text of the Articles proposed to be altered has been reproduced and the alterations highlighted. Proposed additions are indicated by double underlining and proposed deletions are indicated by strike-outs.

1. Proposed Amendment to Article 58 of the 2016 Constitution

58. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes: Routine business.

(a) Declaring dividends;

(b) Reading, considering and laying the financial statements, the Directors' statement and Auditor's report, and other documents required to be attached to the financial statements;

(c) Appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement ~~whether by rotation or otherwise~~; and

(d) Appointing or re-appointing the Auditor and fixing the remuneration of the Auditor or determining the manner in which such remuneration is to be fixed.

2. Proposed Amendment to Article 90 of the 2016 Constitution

90. A Chief Executive Officer (or a person holding an equivalent position) who is a Director shall ~~not~~, while he continues to hold that office, be subject to retirement as the other Directors and, ~~by rotation unless the Board of Directors determines otherwise at its sole discretion, at any time, and he shall not be taken into account in determining the number of Directors to retire by rotation but he shall~~, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company ~~and if he ceases to hold the office of Director from any cause he shall ipso facto and immediately cease to be a Chief Executive Officer (or hold such equivalent position)~~. A Chief Executive Officer who is also a Director shall not automatically cease as Chief Executive Officer if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be subject to the provisions of any contract between him and the Company. Resignation, retirement and removal of the Chief Executive Officer.

3. Proposed Amendment to Article 94 of the 2016 Constitution

94. At each Annual General Meeting ~~one third~~all of the Directors for the time being ~~(or, if their number is not a multiple of three, the number nearest to but not more than one third)~~ shall retire from office ~~by rotation. Provided, however, that no Director holding office as Chief Executive Officer (or an equivalent position) shall be subject to retirement by rotation unless otherwise determined in accordance with article 90 or be taken into account in determining the number of Directors to retire~~. Retirement of Directors ~~by rotation~~.

4. Proposed Amendment to Article 95 of the 2016 Constitution

95. ~~The Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.~~ A retiring Director shall be eligible for re-election.

~~Selection of Directors to retire.~~Retiring Director eligible for re-election.

5. Proposed Amendment to Article 97 of the 2016 Constitution

97. In accordance with the provisions of Section 152 of the Act, the Company may by Ordinary Resolution of which special notice has been given remove any Director before the expiration of his period of office, notwithstanding anything in this Constitution or in any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company in General Meeting may appoint another person in place of a Director so removed from office ~~and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director~~. In default of such appointment, the vacancy so arising may be filled by the Directors as a casual vacancy.

Removal of Directors.

6. Proposed Amendment to Article 100 of the 2016 Constitution

100. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with this Constitution. ~~Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such Meeting.~~

Directors' power to fill casual vacancies and to appoint additional Director.

Annex A-2

The alterations which are proposed to be made to the 2016 Constitution of Flex Ltd. pursuant to EGM Proposal No. 2 set forth in the Notice of Extraordinary General Meeting dated July 9, 2019 are set out below. For ease of reference, the full text of the Articles proposed to be altered has been reproduced and the alterations highlighted. Proposed additions are indicated by double underlining and proposed deletions are indicated by strike-outs.

Proposed Amendment to Article 82 of the 2016 Constitution

82. Subject to the other provisions of Section 145 of the Act, the number of the Directors, all of whom shall be natural persons, shall not be less than two nor, unless otherwise determined by the Company in General Meeting, more than ~~eleven~~ twelve.

Number of Directors.

Annex A-3

The alterations which are proposed to be made to the 2016 Constitution of Flex Ltd. pursuant to EGM Proposal No. 3 set forth in the Notice of Extraordinary General Meeting dated July 9, 2019 are set out below. For ease of reference, the full text of the Articles proposed to be altered has been reproduced and the alterations highlighted. Proposed additions are indicated by double underlining and proposed deletions are indicated by strike-outs.

1. Proposed Amendment to Article 54 of the 2016 Constitution

54. (A) Subject to the provisions of the Act the Company shall in each year hold an Annual General Meeting in accordance with the provisions of the Act ~~in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Provided that so long as the Company holds its First Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year~~.	Annual General Meeting.
(B) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.	
(C) The time and place of any General Meeting shall be determined by the Directors.	

2. Proposed Amendment to Article 116 of the 2016 Constitution

116. (A) Where the Company has a Seal, the ~~The~~ Directors shall provide for the safe custody of the Seal and the official seal for use abroad, which shall only be used by the authority of the Directors or a committee of Directors authorised by the Directors in that behalf.	Seal.
(B) Where the Company has a Seal, every ~~Every~~ instrument to which the Seal shall be affixed shall (subject to the provisions of this Constitution as to certificates for shares) be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors in place of the Secretary for the purpose.	Affixing Seal.
(C) Where the Company has a Seal, the ~~The~~ Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors. For the avoidance of doubt, the affixation of the official seal need not comply with the signature requirements prescribed by article 116(B), and need only comply with the execution formalities prescribed under the Act.	Official seal.
(D) Where the Company has a Seal, the ~~The~~ Company may have a duplicate Seal as referred to in Section 124 of the Act which shall be a facsimile of the Seal with the addition on its face of the words “Share Seal”.	Share Seal.

ANNEX B: RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

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

	Twelve-Month Periods Ended	
	March 31, 2019	March 31, 2018
Net sales	$26,210,511	$25,441,131
GAAP gross profit	$ 1,517,775	$ 1,595,882
Stock-based compensation expense	19,554	19,102
Customer related asset impairments(1)	46,684	—
Restructuring charges(2)	99,005	66,845
New revenue standard adoption impact(3)	9,291	—
Contingencies and other(4)	15,123	26,631
Non-GAAP gross profit	**$ 1,707,432**	**$ 1,708,460**
Adjusted gross margin	***6.5%***	***6.7%***
GAAP income before income taxes	$ 182,126	$ 520,893
Intangible amortization	74,396	78,640
Stock-based compensation expense	76,032	85,244
Customer related asset impairments(1)	87,093	6,251
Restructuring charges(2)	113,313	90,691
New revenue standard adoption impact(3)	9,291	—
Contingencies and other(4)	35,644	51,631
Interest and other, net	183,454	122,823
Other charges (income), net(5)	110,414	(169,719)
Non-GAAP operating income	**$ 871,763**	**$ 786,454**
GAAP net income	$ 93,399	$ 428,534
Intangible amortization	74,396	78,640
Stock-based compensation expense	76,032	85,244
Restructuring charges(2)	113,313	90,691
Customer related asset impairments(1)	87,093	6,251
New revenue standard adoption impact(3)	9,291	—
Contingencies and other(4)	35,644	51,631
Investment and other, net(5)	109,980	(166,357)
Adjustments for taxes(6)	3,978	10,217
Non-GAAP net income	**$ 603,126**	**$ 584,851**
Weighted-average shares used in computing per share amounts (Diluted):	530,070	536,598
GAAP earnings per share (Diluted):	$ 0.18	$ 0.80
Non-GAAP (adjusted earnings per share)	**$ 1.14**	**$ 1.09**
Net cash used in operating activities	$ (2,971,024)	$ (3,866,335)
Cash collection of deferred purchase price and other	3,605,299	4,619,933
Purchases of property and equipment	(725,606)	(561,997)
Proceeds from the disposition of property and equipment	94,219	44,780
Free Cash Flow	**$ 2,888**	**$ 236,381**

(1) Customer related asset impairments for fiscal years ended March 31, 2019 and March 31, 2018 primarily relate to additional provisions for doubtful accounts receivable, inventory and impairment of property and equipment for certain customers experiencing significant financial difficulties and /or we are disengaging from.

(2) Throughout fiscal years 2018 and 2019, the Company incurred certain restructuring charges primarily related to severance for rationalization at certain existing operating sites and corporate functions.

We completed the wind-down of our Nike operations in Mexico in Q3 fiscal year 2019 and recognized in total $66 million for the fiscal year. The charge primarily consisted of non-cash asset impairments.

(3) During the first quarter of fiscal year 2019, the Company amended certain non-substantive terms of its existing contracts for its smaller customers. The amendments removed the consideration regarding over-time recognition under ASC 606. Accordingly, these customer contracts are now accounted for consistent with prior accounting and revenue is recognized upon shipment of product.

(4) Contingencies and other during fiscal year 2019 primarily consist of costs incurred relating to the independent investigation undertaken by the Audit Committee of the Company's Board of Directors which was completed in June 2018. In addition, it also includes certain charges of the China based Multek operation that was divested in the second quarter of fiscal year 2019.

During fiscal year 2018, the Company incurred charges in connection with certain legal matters where it believed losses were probable and estimable. The Company incurred various other charges predominately related to damages incurred from a typhoon that impacted a China facility. Additionally, certain asset impairments were recorded during fiscal year 2018.

(5) As further described in the Company's fiscal 2018 Annual Report on Form 10-K, the Company deconsolidated Elementum and recognized a non-cash gain of $151.6 million. The Company also completed a sale of its Wink business in fiscal year 2018 and recognized a gain on sale of $38.7 million. During the last half of fiscal 2019, the Company reassessed its strategy with respect to its entire investment portfolio. As a result, the Company recognized an aggregate net charge related to investment impairments and dispositions of approximately $119 million and $193 million for the three- and twelve-month periods ended March 31, 2019, respectively. The aggregate charge was primarily driven by write-downs of our investment positions in a non-core cost method investment and Elementum that were recognized in the third and fourth quarter of fiscal 2019, respectively. The Company also incurred other investment impairments that were individually immaterial as a result of our strategy shift and due to market valuation changes. We continue to assess our strategy with respect to the remaining investment portfolio and have not identified any additional impairment indicators with respect to these investments as of March 31, 2019.

During the first quarter of fiscal year 2019, the Company transferred employees and equipment along with certain related software and IP, into Bright Machines which later received additional equity funding from third party investors and changed the composition of the Board of directors removing Flex's control. As such, we deconsolidated the entity and recognized a gain of approximately $87 million in other income, net for the year ended March 31, 2019.

(6) During the fourth quarter of fiscal year 2019, the Company incurred an expense of $15 million pertaining to initial implementation of advanced pricing arrangements finalized with the Mexican tax authorities during the fiscal year.

The remaining balance is primarily related to adjustment for exchange rate fluctuation on income tax receivable position of an operating subsidiary recognized in a prior period and tax effects of the various adjustments that we incorporate into Non-GAAP measures.

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, 2019

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 (State or other jurisdiction of incorporation or organization)	**Not Applicable** (I.R.S. Employer Identification No.)
2 Changi South Lane, Singapore (Address of registrant's principal executive offices)	**486123** (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	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, No Par Value	FLEX	The Nasdaq Stock Market LLC

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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 28, 2018, the aggregate market value of the Company's ordinary shares held by non-affiliates of the registrant was approximately $6.9 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 May 13, 2019
Ordinary Shares, No Par Value	514,029,702

DOCUMENTS INCORPORATED BY REFERENCE

Document	Parts into Which Incorporated
Proxy Statement to be delivered to shareholders in connection with the Registrant's 2019 Annual General Meeting of Shareholders	Part III

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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*® services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. We design, build, ship and manage complete packaged consumer and enterprise products, from medical devices and connected automotive systems to sustainable lighting and cloud and data center solutions, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

- High Reliability Solutions (“HRS”), which is comprised of our health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology; and our automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies;
- Industrial and Emerging Industries (“IEI”), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, smart solar energy; and industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks;
- 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, and switching products for 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; and
- Consumer Technologies Group (“CTG”), which includes our consumer-related businesses in IoT enabled devices, audio and consumer power electronics, mobile devices; and various supply chain solutions for consumer, computing and printing devices.

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 19 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for additional information on our operating segments.

We provide design, manufacturing and supply chain services through a network of over 100 locations in approximately 35 countries across five continents. We have established global scale through an extensive network of innovation labs, design centers, manufacturing and services sites 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 customers with a competitive advantage by delivering improved product quality, increased flexibility, leading-edge manufacturability, improved performance, faster time-to-market, and value. Our customers leverage our services to meet their requirements throughout their products' entire life cycles. For the fiscal year ended March 31, 2019, we had revenue of $26.2 billion and net income of $93 million.

Over the past several years, we have evolved beyond a traditional Electronics Manufacturing Services ("EMS") company, and now consider ourselves 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 innovative solutions, design and engineering services, advanced supply chain management solutions and services, significant global scale and regional presence, and manufacturing sites in key geographies provide us with a competitive advantage and strong differentiation in the market for designing, building, and servicing consumer and enterprise products for leading multinational and regional companies. Through these services, centers and sites, we offer our customers improved product design, increased flexibility and responsiveness. We also enable faster time to market, product safety and regulatory compliance and supply chain predictability with real-time visibility, all of which accelerate product launches, access to new markets, and mitigate of risks.

We recognized research and development costs primarily related to our product design and innovations service offerings of $66 million, $78 million, and $66 million for the fiscal years ended March 31, 2019, 2018 and 2017, respectively.

INDUSTRY OVERVIEW

Our expertise is *Sketch-to-Scale®* services: design, manufacture, and supply chain services for a broad range of products, from medical devices, connected automotive systems and smart home appliances to sustainable lighting and cloud data center infrastructures. 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, in the technology, automotive and healthcare industries along with the convergence of many industries being transformed by technology advancements. 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 that include 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 2018 is estimated to have been around 4%.

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

We believe that growth in the EMS industry will be largely driven by the need for OEMs to respond to rapidly changing industries, markets and technologies, the increasing complexity of supply chains and the continued pressure to be innovative and 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 product development lifecycle capabilities in the industry, from concept design to manufacturing to aftermarket services. We believe a key competitive advantage is our people, processes and capabilities for making products, systems and solutions for our customers:

- *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 full range of services, *from Sketch-to-Scale®*, include innovation and design, engineering, manufacturing, forward and reverse logistics, and circular economy supply chain management. Our deep industry and cross-industry knowledge and multi-domain expertise accelerate the production of 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 advanced materials and technology sourcing, 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 a wide range of products for our customers. These services include:

Innovation Services. We provide a comprehensive set of services that enable companies to successfully ideate, 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 cross-industry and technology platforms and building block technologies, accelerating innovation and 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

Annual Report

customers' offerings. This area of our business has seen increased investment and focus over the past few years.

Beyond our flagship Customer Engagement Center in Silicon Valley, we have established a global network of Design and Engagement Centers. Our innovation and design services include:

- *Innovation and Design Centers.* Our Innovation and Design Centers specialize in supporting customer design and product development. 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.
- *Cross-industry Technologies.* Along with our portfolio of building block technologies in electrical/electronics, electromechanical, and software, we also have deep technical expertise in cross-industry technologies. Our Cross-industry technologies are a combination of building block technologies expertly applied to products and solutions for use within numerous industries. These technologies include: Human Machine Interface (HMI), Audio and Video, System in Package (SIP), Miniaturization, IoT Platforms and Asset Tracking.
- *Centers of Excellence/Competence.* Our Centers of Excellence/Competence provide strategic technology capabilities developed by Flex in critical solutions areas which leverage our expertise across multiple industries, for integration into our customers' products and next generation industry requirements. Centers of Excellence/Competence have specialized capabilities in connectivity, sensors and actuators, power, battery, interconnects and PMATX, smart software, optical, and "soft" Systems.
- *Systems Integration Services.* Through systems integration, we design and integrate advanced data center servers, storage and networking equipment and data center appliances, providing engineering and design services with an emphasis on multivendor integration and open technologies that promote interoperability at a lower cost. Our CloudLabs provide a staging lab for customers to deploy the latest technologies, allowing for performance testing of workloads and enabling faster diffusion of technologies in a controlled environment.

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

- Design Services, where customers purchase engineering and development services on a time and materials basis; or
- Joint Design and 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 CAD drawings, proofs of concept, product prototypes, interaction and interface models, detailed hard models, and product packaging.
- *Hardware Design.* We offer design for printed-circuit board assemblies (PCBA); identification and selection of key components, Subsystem design and full-product design including electrical and mechanical design. We provide complete electrical and hardware design for products ranging from small handheld consumer devices to large, high-speed, carrier-grade, telecommunications equipment, incorporating embedded microprocessors, memory, digital signal processing, 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. In addition, we offer detailed mechanical, structural,

and thermal design solutions for enclosures that utilize a wide range of plastic, metal and other material technologies. These capabilities and technologies are increasingly important to our customers' product differentiation goals.

- *Software Design.* We offer cloud integration design services which include developing and embedding a cloud agent onto a device, firmware and applications services including developing and embedding software of functionality and user-specific tasks and features.
- *Design for Excellence.* We provide comprehensive design for manufacturing, testing, 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.

We are exposed to different or greater potential liabilities from our various design services than those we typically 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; claims of infringement or misuse of intellectual property and/or breach of license agreement provisions 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 assemble electronics products with 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 leading-edge manufacturing solutions. We support a wide range of product demand profiles, from low-volume, high-complexity programs, to high-volume production. A 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, integration and deployment 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 shorten total manufacturing cycle times our OEM customers. Materials procurement and management consists 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 of certain electronic components, most recently this has been 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 supply chain issues, including shortages of required electronic components.*"

Components Business. We offer a full-service power supply business that provides a range of solutions from custom to highly scalable system solutions. Flex has 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 systems, and power supplies for the server, storage, and networking markets. Our Power Modules business designs and manufactures a wide range of isolated DC/DC converters and non-isolated Point of Load (PoL) converters intended primarily, although not exclusively, for the Information and Communications Technology market, including Servers and High-Performance Computing applications. We also offer specialized power module solutions suitable for other 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 gain access to compelling innovations and design expertise in digital control and smart power.

Logistics. Our Flex Global Services business is a provider of services including 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, automotive and medical industries. 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, asset tracking, 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 help our customers responsibly build products for a connected world. We do this by providing our customers with product development lifecycle services, from innovation, design, and engineering, to manufacturing, logistics, and supply chain solutions. Our strategy is to enable and scale innovation for our customers, maintain our leadership in our capabilities, and build extended offerings in high-growth industries and markets.

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 innovative solutions that transform industries and companies. We have taken steps to attract the best engineering, functional and operational leaders and have accelerated efforts to develop the future leaders of the company.

Customer Focus. We believe that serving 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 aim to 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, and supply chain services. We focus our energy and efforts on high-growth industries and markets where we have distinctive competence and compelling value propositions. Examples include our investments in specific technologies and industries including healthcare, automotive, industrial markets, and energy. Our market-focused approach to managing our business increases our customers' competitiveness by leveraging our deep vertical industry and cross-industry expertise, as well as global scale, regional presence and agility to respond to changes in market dynamics.

Global Operations Capabilities. We continue to invest in maintaining the leadership of our world-class manufacturing and services capabilities including automation, new product introduction and large-scale manufacturing. We constantly push the state of the art in manufacturing technology, process development and operations management. We continue to capitalize on our industrial park concept, where we co-locate our design, manufacturing, and service resources globally in lower-cost regions, to provide a competitive advantage by minimizing logistics, manufacturing costs, and cycle times while increasing flexibility and responsiveness. We believe our global scale, breadth of services, IP, and assets contribute to our significant 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 technologies, capabilities and services to provide our customers with a broader value-added suite of innovative services and solutions to meet their product and market requirements.

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 to provide 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 innovation and design services, operations, supply chain solutions, and industry and market expertise. We provide active tracking and real-time data analytics (Flex Pulse®) 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 better serve our customers' requirements:

Significant Scope and Global Scale. We believe that scale is a significant competitive advantage, as our customers' solutions increasingly require capabilities and competitive solutions that can only be achieved through capabilities scope and global scale.

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.

Additionally, we are a leader in global procurement, purchasing approximately $27 billion of electrical and mechanical materials during our fiscal year ended March 31, 2019. This scale provides us with an ability to use our worldwide supplier relationships to achieve leading-edge technologies, access, supply chain flexibility and advantageous pricing for our customers.

Digitized Supply Chain 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, full cycle 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 optimizing costs. We have expanded and enhanced our service offerings by adding capabilities in innovation and design centers, modern manufacturing including additive manufacturing, automation, robotics, real-time supply chain software, end-to-end supply chain modeling and simulation, precision plastics, and machining.

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 vertical industry and cross-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 industries and 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 development, including the manufacture of components and complete products across the industries and market that we serve, 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 Hubs. We have established state-of-the art innovation hubs in the Americas, Asia and Europe, with differentiated offerings and specialized services and focus. With subject matter expertise in connectivity, sensors and actuators, batteries, power, interconnects, human machine interfaces, smart textiles, optical technologies, software & security and advanced manufacturing, our technology leaders collaborate with customers to co-develop their next generation of products. We offer concepting and quick-turn prototyping utilizing the most advanced 3D plastic printing, 3D metal printing, surface mount technology (SMT), AI, Machine Learning and advanced collaborative software to support major industries in bringing innovative products to market rapidly. We are dedicated to providing quality and reliable solutions to meet the customers' requirements. We ensure confidentiality offering dedicated customer-confidential work spaces that provide increased security and restricted access to protect our customers' intellectual property and the confidentiality of new products being launched into the marketplace. These innovation hubs offer our customers a geographically-focused version of our *Sketch-to-Scale®* services, taking their product from concept to volume production and go-to-market in a rapid, cost effective and low risk manner.

Industrial Parks; Cost-Efficient Manufacturing Services. We have developed self-contained campuses that co-locate our manufacturing and logistics operations with our suppliers in various cost-efficient locations. These sites enhance our supply chain management efficiency, while providing multi-technology solution value 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, and Mexico.

We have selected manufacturing operations situated in regions around the world to provide our customers with a wide array of manufacturing solutions where our customers and/or their customers are located. As of March 31, 2019, approximately 80% of our manufacturing capacity was located in emerging markets, including Brazil, China, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Romania, and the Ukraine.

Sustainability. We believe in the power of technology to connect people, products and services to create a smarter, more sustainable future. It's not just good business, but it's good for the environment, for people and the communities in which we live and work. This belief forms the cornerstone of our sustainability commitments and actions.

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 Ericsson in our CEC segment; and Lenovo/Motorola, HP and Bose in our CTG segment.

In fiscal year 2019, our ten largest customers accounted for approximately 43% of net sales. No customer accounted for greater than 10% of the Company's net sales in fiscal year 2019.

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 sites; and responsiveness and flexibility. We believe we are extremely competitive with regard to all of these factors.

CORPORATE SOCIAL RESPSONSIBLITY

Sustainability remains central to who we are and how we operate. Our sustainability governance principles are a core part of our business operations. Through innovation and smart technologies, our sustainable solutions positively impact people and the environment.

Since February 2018, we have been participants of the United Nations Global Compact ("UNGC"), the world's largest corporate sustainability initiative, to showcase our commitment to integrate sustainability throughout our company and across our entire supply chain. Our commitment aims to help customers, partners and other businesses increase their own efforts to build a more sustainable future.

Our strategy and global efforts, through our sustainability programs and multi-year "Flex 20 by 2020 goals," are aligned with the principles set forth in the UNGC, and the 2030 Sustainable Development Goals ("SDGs"). While our global efforts contribute to most of the SDGs, we have prioritized them and focus on decent work, quality education, clean energy and responsible consumption and production.

We achieve social and environmental compliance through a robust integrated management system that consolidates several management systems into one. Our Corporate Social and Environmental Responsibility management system has several elements, including environmental, health and safety compliance, labor and human rights and ethics. The Flex Social and Environmental 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 concern, 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 ("CoBCE"). We also go beyond compliance by offering a wide range of programs and initiatives to engage both our internal and external stakeholders.

We are committed to providing decent work for Flex employees, respecting their dignity and striving to advance human rights around the world. Our philosophy, strategies, and policies in human rights, health and safety, diversity and inclusion, support the inclusion of all people in our working environment. Some of the cornerstone specific goals through which we measure our performance include increasing employee development, social and environmental management system audits, human rights policy training completion, RBA compliance for rest day requirements and decreasing incident rates.

We work with nonprofits, community leaders and governments to promote inclusive and sustainable economic growth, employment and decent work for all. We help protect the environment, support resource conservation and provide disaster relief. We accomplish this through grants from the Flex Foundation, corporate and employee donations and volunteerism. Our multi-year goals in this area cover increasing volunteer hours and the percentage of sites with community activities as well as implementing the worker empowerment training program and Flex Foundation community grants.

We take necessary measures to protect the environment, conserve energy and natural resources, and prevent pollution by applying appropriate management practices and technology. We take actions to protect the environment, including but not limited to strict compliance with material requirements, reduction of greenhouse gas emissions, waste, water and energy consumption, and circular economy implementation, among others. Our multi-year goals for environment cover increasing our use of renewable energy, water recycling, waste diversion rate and number of powered homes equivalents and decreasing water consumption, CO2 emissions, and cost of electricity to the grid vs. fossil fuels.

Our corporate compliance program integrates our obligations and commitment to integrity into our day-to-day business practices. We expect our employees and business partners to follow the highest ethical standards. The CoBCE serves as the foundation of our Ethics and Compliance program. We conduct regular internal audits, and we maintain metrics around compliance to continuously benchmark and improve. Implementing in-person training on CoBCE for direct labor employees and increasing CoBCE training for annual completion for indirect labor employees are our integrity multi-year goals targeted for 2020.

We are committed to continuously monitoring and complying with social and environmental requirements across the supply chain. We require our suppliers to have a management system in place to ensure compliance and mitigate potential risks. We also have sustainability supply chain programs in place like on-site sustainability training for suppliers, working hours improvement and labor agent programs which help us to develop our supplier’s competencies for them to comply with the applicable requirements. We measure our progress through two goals, namely increasing out sustainability supplier training and supplier screening on social and environmental criteria.

All of these activities are the subject of our annual sustainability reporting, done in accordance with the Global Reporting Initiative’s (“GRI”) standards, and further information can be found in our annual sustainability executive and GRI reports, as well as the Flex 20 by 2020 bi-annual report posted on our 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 U.S. Secretary of State to be 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, we are a founding member and active participant in the RBA’s Responsible Minerals Initiative (“RMI”). RMI promotes the goal of understanding and mitigating social and environmental impacts of extraction and processing of raw materials in supply chains. As an active member of RMI, we leverage direct and indirect partnerships and use international standards, e.g.. Organization for Economic Co-operation and Development (“OECD”) Guidelines for Multinational Enterprises, and the

United Nations (UN) Guiding Principles on Business and Human Rights, as our guides. We are committed to responsibly sourcing minerals, in accordance with our Responsible Sourcing Policy, and follow the RMI's Conflict Minerals data reporting format.

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. The electronics industry is subject to various regulations based on region or country. For example:

- 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")
- 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 result in significant costs and/or penalties.

RoHS and other similar legislation ban or restrict 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

Our policies, philosophy and strategies support the inclusion of all people in our working environment. We're committed to respecting the human rights of our employees and improving their quality of life. We encourage our people to engage in lifelong learning and growth. And we give them opportunities to perform to the best of their abilities.

As of March 31, 2019, our global workforce totaled approximately 200,000 employees including our contractor 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 our intellectual property, as well as that of our customers and suppliers. As of March 31, 2019 and 2018, 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 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 sometimes 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 19 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:

- HRS, which is comprised of our health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology; and our automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies;
- IEI, which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, smart solar energy; and industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks;
- 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, and switching products for 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; and
- CTG, which includes our consumer-related businesses in IoT enabled devices, audio and consumer power electronics, mobile devices; and various supply chain solutions for consumer, computing and printing devices.

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 those customers, by causing a delay in the repayment of our expenditures for inventory in preparation for customer orders and for an impairment loss for inventory, and by lowering our asset utilization and overhead absorption resulting in lower gross margins and earnings. 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 times 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, and 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 43%, 41% and 43% of net sales in fiscal years 2019, 2018 and 2017, respectively. No customer accounted for more than 10% of net sales in fiscal year 2019, 2018 and 2017. 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 any of our 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 component 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 component products, may adversely affect our margins and profitability.

Our components business, which include 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.

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 receivables 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 supply chain issues, including 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, trade restrictions, 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 often 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 restrictions including limitations on imports or exports of components or assembled products, unilaterally or bilaterally;
- trade sanctions and related regulatory enforcement actions and other proceedings;
- 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;
- 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 customers and our ability to conduct business with certain customers can be affected by changes in U.S. and other countries' trade policies. In 2018, the U.S. imposed tariffs on a large variety of products of Chinese origin. The U.S. government has also indicated a readiness to further expand the scope of the tariffs on Chinese goods if negotiations are not successful, and most recently, effective May 10, 2019, increased tariffs on $200 billion of Chinese goods to 25%. Further, on May 15, 2019, President Trump issued an executive order designed to secure the information and communications technology and services supply chain, which would restrict the acquisition or use in the United States of information and communications technology or services designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries. The executive order is subject to implementation by the Secretary of Commerce and applies to contracts entered into prior to the effective date of the order. In addition, the U.S. Commerce Department has implemented additional restrictions and may implement further restrictions that would affect conducting business with certain Chinese companies. Depending upon their duration and implementation, as well as our ability to mitigate their impact, these tariffs, the executive order and its implementation and other regulatory actions could materially affect our business, including in the form of increased cost of goods sold, decreased margins, increased pricing for customers, and reduced sales.

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.

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.

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. On October 1, 2018, the Court appointed lead plaintiff and lead plaintiff's counsel in the case. On November 28, 2018, lead plaintiff filed an amended complaint alleging misstatements and/or omissions in certain of the Company's SEC filings, press releases, earnings calls, and analyst and investor conferences and expanding the putative class period through October 25, 2018. On April 3, 2019, the Court vacated its prior order appointing lead plaintiff and lead plaintiff's counsel and reopened the lead plaintiff appointment process. Motions for appointment as lead plaintiff are due June 4, 2019. Defendants' deadline to move to dismiss is vacated until after the lead plaintiff appointment process is complete and an operative complaint is designated. In addition, the Court has set a case management conference for July 17, 2019. Any existing or future lawsuits 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.

On February 14, 2019, we submitted an initial notification of voluntary disclosure to the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") regarding possible noncompliance with U.S. economic sanctions requirements among certain non-U.S. Flex-affiliated operations. We have initiated an internal investigation regarding this matter. The matter is at a very preliminary stage and we cannot predict the total costs to be incurred in response to any steps taken by OFAC, the potential impact on our personnel or to what extent we could be subject to penalties, which could be material. Nor can we predict how long it will take to complete our investigation and for a disposition by OFAC.

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 fiscal years 2019, 2018 and 2017, we initiated targeted restructuring activities focused on optimizing our portfolio, in particular customers and products in our CTG business, optimizing our cost structure in lower growth areas and, more importantly, streamlining certain corporate and segment functions as well as exited our NIKE operations in Mexico. 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.

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.

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, or 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. Additionally, California recently enacted legislation, the California Consumer Privacy Act ("CCPA"), which will become effective January 1, 2020. The CCPA will, among other requirements, require covered companies to provide new disclosures to California consumers, and allow such consumers new abilities to opt-out of certain sales of personal information. The effects of the CCPA may be significant, and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply.

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. 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.

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 applied 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 Adopted 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 various part of the world, including Asia, Eastern Europe, Mexico and Brazil. 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.

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. During the last half of fiscal year 2019, we reassessed our strategy with respect to our investment portfolio. We focused on streamlining our investment portfolio and disposed of some of our investments and recognized certain charges. If any of the funds or companies in which we invest fail, we could lose all or part of our investment. From time-to-time we have identified observable price changes, or impairments in investments, and we have written down certain investments fair values and recognized a loss.

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, 2019, our total debt was approximately $3.1 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 7, "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.

In addition, the U. K.'s Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. The U.S. Federal Reserve has begun publishing a Secured Overnight Funding Rate ("SOFR"), which is intended to replace U.S. dollar LIBOR. Plans for alternative reference rates for other currencies have also been announced. At this time, we cannot predict how markets will respond to these proposed alternative rates or the effect of any changes to LIBOR or the discontinuation of LIBOR. If LIBOR is no longer available or if our lenders have increased costs due to changes in LIBOR, we may experience potential increases in interest rates on our variable rate debt, which could adversely impact our interest expense, results of operations and cash flows.

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, which is scheduled to take place on October 31, 2019, 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.

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 27 million square feet of productive capacity as of March 31, 2019. We do not identify or allocate assets by operating segment, as they are interchangeable in nature and used by multiple operating segments.

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

	Leased (Manufacturing)	Owned (Manufacturing)	Total (Manufacturing)	Non-manufacturing	Total
			(in million square feet)		
Americas	3.4	5.4	8.8	8.9	17.7
Asia	7.8	5.9	13.7	7.6	21.3
Europe	1.9	2.6	4.5	5.1	9.6
Total	13.1	13.9	27.0	21.6	48.6

Our facilities include large industrial parks, ranging in size from approximately 100,000 to 5.7 million square feet in Brazil, China, India, and Mexico. We also have regional manufacturing operations, generally ranging in size from under 100,000 to approximately 2.7 million square feet in Austria, Brazil, Canada, China, Denmark, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Romania, Singapore, Spain, 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 12 “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*

MARKET AND SHAREHOLDER INFORMATION

Our ordinary shares are quoted on the Nasdaq Global Select Market under the symbol “FLEX.”

As of May 13, 2019 there were 3,053 holders of record of our ordinary shares. This does not include persons whose stock is in nominee or “street name” accounts through brokers.

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 2020.

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.

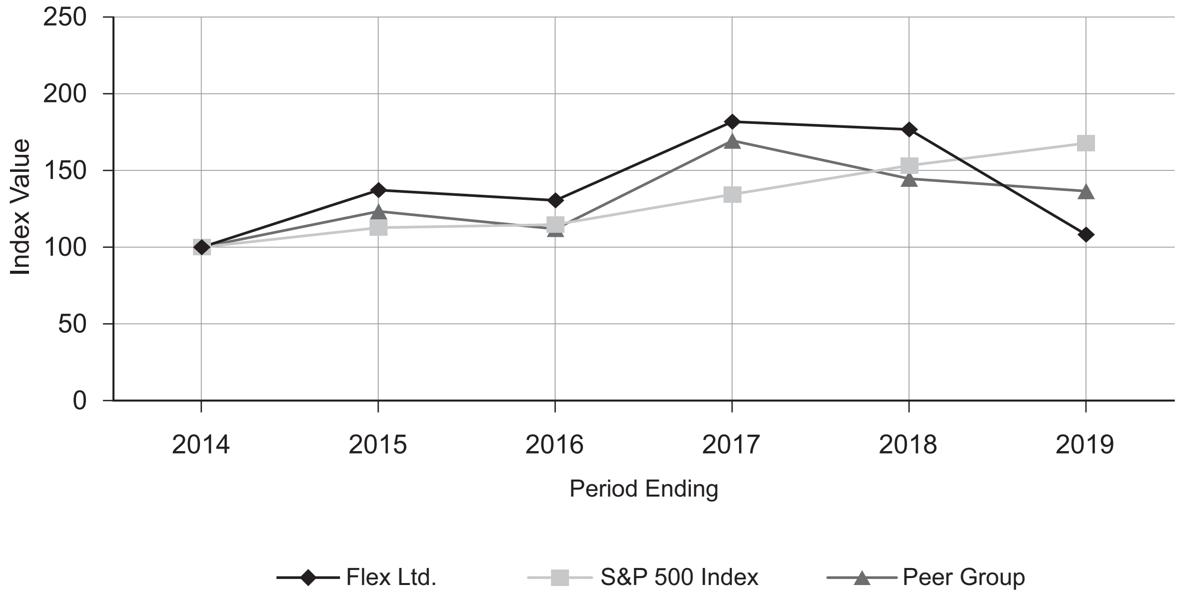
The graph below compares the cumulative total shareholder return on our ordinary shares, the Standard & Poor’s 500 Stock Index and a peer group comprised of Benchmark Electronics, Inc., Celestica Inc., Jabil Inc., and Sanmina Corporation.

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, 2014 and reflects the annual return through March 31, 2019, 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



	3/14	3/15	3/16	3/17	3/18	3/19
Flex Ltd.	100.00	137.23	130.52	181.82	176.73	108.23
S&P 500 Index	100.00	112.73	114.74	134.45	153.26	167.81
Peer Group	100.00	123.37	111.90	169.45	144.64	136.56

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our ordinary shares made by us for the period from January 1, 2019 through March 31, 2019.

Period(2)	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 - January 25, 2019	1,058,740	$ 8.03	1,058,740	$ 381,021,766
January 26 - March 1, 2019	2,245,925	10.24	2,245,925	358,017,848
March 2 - March 31, 2019	3,270,091	10.24	3,270,091	324,522,119
Total	6,574,756		6,574,756	

(1) During the period from January 1, 2019 through March 31, 2019 all purchases were made pursuant to the program discussed below in open market transactions. All purchases were made in accordance with Rule 10b-18 under the Securities Exchange Act of 1934.

(2) On August 16, 2018, 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, 2019, shares in the aggregate amount of $324,522,119 were available to be repurchased under the current plan.

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, and 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.” On April 1, 2018, we adopted the new revenue standard and as a result we recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements included under Item 8. The comparative information has not been restated and continues to be reported under the accounting standards in effect at the time.

	Fiscal Year Ended March 31,				
	2019	2018	2017	2016	2015
	(In millions, except per share amounts)				
CONSOLIDATED STATEMENT OF OPERATIONS DATA:					
Net sales	$26,211	$25,441	$23,863	$24,419	$26,148
Cost of sales	24,594	23,778	22,303	22,811	24,603
Restructuring charges(3)	99	67	39	—	—
Gross profit	1,518	1,596	1,521	1,608	1,545
Selling, general and administrative expenses	953	1,019	937	955	844
Intangible amortization	74	79	81	66	32
Restructuring charges(3)	14	24	11	—	—
Interest and other, net	183	123	100	84	51
Other charges (income), net(1)	110	(170)	21	48	(53)
Income before income taxes	182	521	371	455	671
Provision for income taxes	89	92	51	11	70
Net income	$ 93	$ 429	$ 320	$ 444	$ 601
Diluted earnings per share:					
Total	$ 0.18	$ 0.80	$ 0.59	$ 0.79	$ 1.02

	As of March 31,				
	2019	2018	2017	2016	2015
	(In millions)				
CONSOLIDATED BALANCE SHEET DATA:					
Working capital(2)	$ 1,506	$ 1,902	$ 1,883	$ 1,743	$ 1,986
Total assets	13,499	13,716	12,593	12,385	11,653
Total long-term debt, excluding current portion	2,422	2,898	2,891	2,709	2,026
Shareholders’ equity	2,972	3,019	2,678	2,606	2,396

(1) For fiscal years 2019, 2018 and 2017, refer to note 15 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data” for further discussion.

During fiscal year 2016, the Company incurred non-cash 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.

During fiscal year 2015, an amendment to a customer contract to reimburse a customer for certain performance provisions was executed which included the derecognition of a $55 million contractual obligation previously 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.

(2) Working capital is defined as current assets, less current liabilities.

(3) The Company initiated restructuring plans during fiscal years 2019, 2018 and 2017, refer to note 14 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*® services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. We design, build, deliver and manage complete packaged consumer and enterprise products, from medical devices and connected automotive systems to sustainable lighting and cloud data center infrastructures, for companies of all sizes in various industries and end-markets, through our activities in the following segments:

- High Reliability Solutions ("HRS"), which is comprised of our health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology; and our automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies;
- Industrial and Emerging Industries ("IEI"), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, smart solar energy; and industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks;
- 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, and switching products for 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; and
- Consumer Technologies Group ("CTG"), which includes our consumer-related businesses in IoT enabled devices, audio and consumer power electronics, mobile devices; and various supply chain solutions for consumer, computing and printing devices.

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.

During the fourth quarter of fiscal year 2019, we announced that Revathi Advaithi was appointed CEO of the Company effective February 11, 2019. As part of her new role and responsibilities, the CEO along with certain direct reports that oversee operations of the business, are now considered the CODM. There is a possibility that the CODM will request changes in the information that is regularly reviewed in determining how to allocate resources and in assessing performance, which could eventually result in changes to our reportable segments.

Refer to note 19 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. We have expanded our design and engineering relationships through our product innovation centers and global design centers.

During fiscal year 2019, we took action to revise our go-to-market strategy within our CTG business, where we are actively managing under-performing accounts and are focused on partnering with well-funded, leading multi-national brands that control multiple categories of products and have regional demand requirements. We expect this transition to continue in fiscal year 2020 which will continue to put downward pressure on the segment operating margins until fully transitioned. During the fiscal year 2019, we also completed the wind down of our NIKE operations in Mexico and concurrently streamlined our third-party investments. In addition, we developed a measured and sustainable operating plan for India and as of March 31, 2019, we have completed the majority of our regional build-out. We continue to invest in the capital expenditures necessary to support underlying higher margin, long-term programs in our IEI and HRS businesses.

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.

We are one of the world’s largest providers of global supply chain solutions, with revenues of $26.2 billion in fiscal year 2019. 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, 2019, our total manufacturing capacity was approximately 27 million square feet. In fiscal year 2019, our net sales in Asia, the Americas and Europe represented approximately 44%, 38% and 18%, respectively, of our total net sales, based on the location of the manufacturing site. On April 1, 2018, we adopted a new revenue standard and as a result we recognized a cumulative effect of adoption as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements included under Item 8. The comparative information has not been restated and continues to be reported under the accounting standards in effect at the time. The following tables set forth the relative percentages and dollar amounts of net sales and net property and equipment, by country, based on the location of our manufacturing sites:

Net sales:	Fiscal Year Ended March 31, 2019		2018		2017	
	(In millions)					
China	$ 6,649	25%	$ 7,450	29%	$ 7,214	30%
Mexico	4,539	17%	4,362	17%	4,076	17%
U.S.	3,106	12%	2,860	11%	2,560	11%
Brazil	2,181	8%	2,578	10%	1,908	8%
Malaysia	1,996	8%	2,005	8%	2,267	10%
India	1,805	7%	609	2%	511	2%
Other	5,935	23%	5,577	23%	5,327	22%
	$26,211		$25,441		$23,863	

Amounts may not sum due to rounding.

Property and equipment, net:	Fiscal Year Ended March 31, 2019		2018	
	(In millions)			
Mexico	$ 537	23%	$ 587	26%
China	523	22%	492	22%
U.S.	361	15%	305	14%
India	219	9%	78	3%
Hungary	103	4%	150	7%
Malaysia	138	6%	153	7%
Other	454	21%	475	21%
	$2,336		$2,240	

Amounts may not sum due to rounding.

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;
- the impacts on our business due to component shortages or other supply chain related constraints;
- changes in tax legislation; and
- changes in trade regulations and treaties.

The attractiveness of our services to customers and our ability to conduct business with certain customers can be affected by changes in U.S. and other countries' trade policies. In 2018, the U.S. imposed tariffs on a large variety of products of Chinese origin. The U.S. government has also indicated a readiness to further expand the scope of the tariffs on Chinese goods if negotiations are not successful, and most recently, effective May 10, 2019, increased tariffs on $200 billion of Chinese goods to 25%. Further, on May 15, 2019, President Trump issued an executive order designed to secure the information and communications technology and services supply chain, which would restrict the acquisition or use in the United States of information and communications technology or services designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries. The executive order is subject to implementation by the Secretary of Commerce and applies to contracts entered into prior to the effective date of the order. In addition, the U.S. Commerce Department has implemented additional restrictions and may implement further restrictions that would affect conducting business with certain Chinese companies. Depending upon their duration and implementation, as well as our ability to mitigate their impact, these tariffs, the executive order and its implementation and other regulatory actions could materially affect our business, including in the form of increased cost of goods sold, decreased margins, increased pricing for customers, and reduced sales.

We also are subject to other risks as outlined in Item 1A, "Risk Factors".

Net sales for fiscal year 2019 increased 3% or $0.8 billion to $26.2 billion from the prior year. The increase was primarily due to a $0.6 billion increase in our CEC segment and a $0.2 billion increase in our IEI segment. Our fiscal year 2019 gross profit totaled $1.5 billion, representing a decrease of $78 million, or 5%, from the prior year, which is primarily driven by an incremental increase of $32 million of restructuring charges, coupled with approximately $47 million of additional charges related to distressed customers that were included in cost of sales in fiscal year 2019. These incremental charges were part of our targeted actions to optimize our business portfolio, most notably within CTG, as we eliminated certain non-core activities and repositioned ourselves to align with go-forward strategies. The decline in gross margin is also due to the mix of revenues included in our portfolio most notably a decline in revenues from our automotive products and services within HRS which carry higher gross profit margins. Increased revenues from our ramping businesses in India further impacted the decline in gross profit margin from the prior year as the new programs were pressured below our average margins during the ramp. Our net income totaled $93 million, representing a decrease of $335 million, or 78%, compared to fiscal year 2018. The decrease in net income during fiscal year 2019 is primarily due to the same factors explained above in addition to the recognition of $193 million of charges primarily for the impairment of certain of our investments, including our investment in Elementum SCM (Cayman) Ltd ("Elementum"), offset by an $87 million gain from the deconsolidation of Bright Machines (formerly known as AutoLab AI). We also recognized a $152 million gain from the deconsolidation of Elementum in fiscal year 2018, which contributed further to the decrease in net income from fiscal year 2018 to 2019. Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for details of the investment impairments and the deconsolidation of Bright Machines, respectively.

Cash used in operations decreased by approximately $0.9 billion to $3.0 billion for fiscal year 2019 compared with $3.9 billion for fiscal year 2018 primarily due to a lower level of cash collections on deferred purchase price being reclassed to investing activities offset by elevated levels of investment required to support the business growth and operating through a more constrained inventory marketplace in fiscal year 2019. Our net working capital, defined as accounts receivable, net of allowance for doubtful accounts, adding back the reduction in accounts receivable resulting from non-cash accounts receivable sales, plus inventories, less accounts payable, was redefined upon the adoption of ASC 606 (as further described in note 2 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data”), to include contract assets on a going forward basis. Our net working capital as a percentage of annualized sales for fiscal year 2019 increased by 0.3% to 6.7% from the prior year. Upon adoption of Accounting Standard Update (ASU) 2016-15 during the first quarter of fiscal year 2019, cash collections on deferred purchase price from our ABS programs that were previously classified as operating cash inflows are now classified as cash flows from investing activities. Refer to note 2 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data” for further description on the ASU.

As a result, we redefined our free cash flow as cash from operating activities, plus cash collections of deferred purchase price, less net purchases of property and equipment in order to present free cash flows on a consistent basis for investor transparency. We also excluded the reduction to operating cash flows related to certain vendor programs from the free cash flow calculation. Free cash flow was $3 million for fiscal year 2019 compared to $236 million for fiscal year 2018. The decrease in free cash flow is primarily due to increased capital expenditures in fiscal year 2019 as we built out our regional capacity in India and continued to expand our capacity and capability in support of our expanding IEI and HRS businesses, as well as increased inventory levels due to a more constrained inventory marketplace and higher business levels. 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 provided by investing activities decreased by approximately $458 million to $3.3 billion for fiscal year 2019, compared with $3.7 billion for fiscal year 2018, primarily due lower cash collection on deferred purchase price and higher capital expenditures as described above. Cash used in financing activities totaled $30 million during fiscal year 2019, which decreased by approximately $158 million from $188 million in the prior year, primarily due to higher net proceeds from bank borrowings and long-term debt in fiscal year 2019.

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

In determining the appropriate amount of revenue to recognize, we 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) we satisfy a performance obligation. Further, we assess whether control of the product or services promised under the contract is transferred to the customer at a point in time (PIT) or over time (OT). We are first required to evaluate whether our contracts meet the criteria for OT recognition. We have determined that for a portion of our contracts, we are manufacturing products for which there is no alternative use (due to the unique nature of the customer-specific product and IP restrictions) and we have an enforceable right to payment including a reasonable profit for work-in-progress inventory with respect to these contracts. As a result, revenue is recognized under these contracts OT based on the cost-to-cost method as it best depicts the transfer of control to the customer measured based on the ratio of costs incurred to date as compared to the total estimated costs at completion of the performance obligation. For all other contracts that do not meet these criteria, we recognize revenue when we have transferred control of the related manufactured products which generally occurs upon delivery and passage of title to the customer. Refer to notes 2 and 3 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data” for further details.

Customer Contracts and Related Obligations

Certain of our customer agreements include potential price adjustments which may result in variable consideration. 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 required 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. We estimate the variable consideration related to these price adjustments as part of the total transaction price and recognize revenue in accordance with the pattern applicable to the performance obligation, subject to a constraint. We constrain the amount of revenues recognized for these contractual provisions based on our best estimate of the amount which will not result in a significant reversal of revenue in a future period. We determine the amounts to be recognized based on the amount of potential refunds required by the contract, historical experience and other surrounding facts and circumstances. Refer to note 2 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.

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 14 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 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 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.

During the last half of fiscal year 2019, the Company reassessed its strategy with respect to its investment portfolio. As a result of the change in the Company's strategy and due to market valuation changes, the Company recognized an aggregate net charge related to investment impairments and dispositions of approximately $193 million for the fiscal year ended March 31, 2019, which is recorded in other charges (income), net on the consolidated statement of operations. The aggregate charge was primarily driven by write-downs of the Company's investment positions in a non-core cost method investment and Elementum as well as other investment impairments that were individually immaterial.

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. These approaches use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy and require us to make various judgmental assumptions about sales, operating margins, growth rates and discount rates which consider our budgets, business plans and economic projections, and are believed to reflect market participant views. Some of the inherent estimates and assumptions used in determining fair value of the reporting units are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDA comparables and credit ratings. While we believe we have made reasonable estimates and assumptions to calculate the fair value of the reporting units, it is possible a material change could occur. If our actual results are not consistent with our estimates and assumptions used to calculate fair value, it could result in material impairments of our goodwill. During fiscal year 2019, we adopted ASU 2017-04 “Simplifying the Test for Goodwill Impairment”, which simplifies the subsequent measurement of goodwill by eliminating step 2 from the goodwill impairment test. The ASU did not have a material impact to Flex’s financial position during the period (Refer to note 2 to the consolidated financial statements in Item 8, “Financial Statements and Supplementary Data” for further detail).

We performed our goodwill impairment assessment on January 1, 2019 and determined that no impairment existed as of the date of the impairment test because the fair value of each one of our reporting units exceeded its respective carrying value. As of the date of the impairment test, all reporting units’ fair values were 25% or more, over their respective carrying values, with the exception of the CTG reporting unit which was 22% in excess of its carrying value. The estimated future results for CTG used in the impairment analysis reflect our revised strategy including the wind down of our NIKE operations in Mexico, further restrictions on capital expenditures related to our expansion into India and our focus on partnering with well-funded, leading multi-national brands that control multiple categories of products and have regional demand requirements. If we are not successful in driving improved results in our CTG segment it is reasonably possible that material goodwill impairment charges could be recorded in future periods.

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 12 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 13 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. On April 1, 2018, we adopted the new revenue standard and as a result we recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements included under Item 8. The comparative information has not been restated and continues to be reported under the accounting standards in effect at the time.

	Fiscal Year Ended March 31,		
	2019	2018	2017
Net sales	100.0%	100.0%	100.0%
Cost of sales	93.8	93.5	93.5
Restructuring charges	0.4	0.3	0.2
Gross profit	5.8	6.2	6.3
Selling, general and administrative expenses	3.6	4.0	3.9
Intangible amortization	0.3	0.3	0.3
Restructuring charges	0.1	0.1	—
Interest and other, net	0.7	0.5	0.4
Other charges (income), net	0.4	(0.7)	0.1
Income before income taxes	0.7	2.0	1.6
Provision for income taxes	0.3	0.4	0.2
Net Income	0.4%	1.6%	1.4%

Net sales

Net sales during fiscal year 2019 totaled $26.2 billion, representing an increase of $0.8 billion, or 3%, from $25.4 billion during fiscal year 2018. The overall increase in sales was driven by increases in three of our segments offset by a decline in sales in our CTG segment. Net sales was higher across all our regions during fiscal year 2019, with increases of $0.5 billion in Europe, $0.3 billion in Asia, and to a lesser extent, $12 million in the Americas.

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. 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 from the prior year.

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:	2019		2018		2017	
			(In millions)			
High Reliability Solutions	$ 4,829	18%	$ 4,770	19%	$ 4,149	17%
Industrial & Emerging Industries	6,183	24%	5,972	24%	4,968	21%
Communications & Enterprise Compute	8,336	32%	7,729	30%	8,384	35%
Consumer Technologies Group	6,863	26%	6,970	27%	6,362	27%
	$26,211		$25,441		$23,863	

Net sales during fiscal year 2019 increased $0.6 billion or 8% in our CEC segment driven by momentum from our cloud and data center business as well as the expansion of network infrastructure programs to support 4G and 5G technology, offset by declines in our data networking business due to weakness with some legacy product lines. Our IEI segment increased $0.2 billion or 4%, which was mainly driven by new programs and customer launches within our industrial, home and lifestyle businesses, offset by declines in our capital equipment and energy businesses. Our HRS segment increased $59 million or 1% from higher sales in our health solutions business as we benefited from prior year investments in design, engineering and automation that have strengthened and improved our capabilities and competitive positioning that more than offset year over year declines from our automotive customers primarily in Asia. These segment increases were partially offset by a decrease of $107 million or 1.5% in our CTG segment, primarily within the legacy consumer sectors of the segment and as a result of actively repositioning the portfolio of customers and rationalizing underperforming customers and eliminating certain product categories.

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 sales 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.

Our ten largest customers during fiscal years 2019, 2018 and 2017 accounted for approximately 43%, 41% and 43% of net sales, respectively. We have made substantial efforts to diversify 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 2019, 2018 or 2017.

Gross profit

Gross profit is affected by a number of factors, including the number and size 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 or consolidation of manufacturing facilities including specific restructuring activities from time to time. The flexible design of our manufacturing processes allows us to manufacture a broad range of products in our facilities and better utilize our manufacturing capacity across our diverse geographic footprint and service customers from all segments. 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 decreased $0.1 billion to $1.5 billion from $1.6 billion from fiscal year 2018 to fiscal year 2019. Gross margin decreased 40 basis points, to 5.8% of net sales in fiscal year 2019, from 6.2% of net sales in fiscal year 2018. The decrease is primarily due to an additional $32 million, or 10 basis points, of restructuring charges coupled with approximately $47 million of additional charges related to distressed customers incurred during fiscal year 2019 versus fiscal year 2018. As noted above, during the year we completed the wind down of our NIKE Mexico operations and incurred a total of $66 million of charges primarily for non-cash asset impairments in the second and third quarters of fiscal year 2019. Additional gross profit and gross margin declines were due to revenue reductions in some of our higher margin businesses, such as automotive and semi-cap equipment and further due to the Multek China divestiture. Also negatively pressuring the gross profit margin was the significant revenues from ramping new programs in India which had pressured margins below our average margins during the ramp in fiscal year 2019.

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.

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, customer related asset impairments, restructuring charges, the new revenue standard adoption impact, contingencies and other, interest and other, net and other charges (income), 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. Historical information has been recast to reflect realignment of customers and/or products between segments:

	Fiscal Year Ended March 31,					
	2019		2018		2017	
			(In millions)			
Segment income & margin:						
High Reliability Solutions	$ 371	7.7%	$ 381	8.0%	$ 334	8.1%
Industrial & Emerging Industries	269	4.4%	235	3.9%	180	3.6%
Communications & Enterprise Compute	215	2.6%	186	2.4%	229	2.7%
Consumer Technologies Group	121	1.8%	112	1.6%	180	2.8%
Corporate and Other	(104)		(128)		(108)	
Total segment income	872	3.3%	786	3.1%	815	3.4%
Reconciling items:						
Intangible amortization	74		79		81	
Stock-based compensation	76		85		82	
Customer related asset impairments(1)	87		6		93	
Restructuring charges (Note 14)	113		91		49	
New revenue standard adoption impact (Note 2 & Note 3)	9		—		—	
Contingencies and other(2)	35		52		18	
Interest and other, net	183		123		100	
Other charges (income), net (Note 15)	110		(170)		21	
Income before income taxes	$ 182		$ 521		$ 371	

Amounts may not sum due to rounding.

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(1) Customer related asset impairments for fiscal year 2019, relate to provision for doubtful accounts receivable, inventory and impairment of other assets for certain customers experiencing significant financial difficulties and/or the Company is disengaging from.

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) Contingencies and other during fiscal year 2019, primarily consists of costs incurred relating to the independent investigation undertaken by the Audit Committee of the Company's Board of Directors which was completed in June 2018. In addition, Contingencies and other also includes certain charges of the China based Multek operations that was divested in the second quarter of fiscal year 2019.

During fiscal year 2018, we incurred charges in connection with certain legal matters, for loss contingencies where it believed that losses were probable and estimable. Additionally, we incurred various other charges predominately related to damages incurred from a typhoon that impacted a China facility as well as certain assets impairments during fiscal year 2018.

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.

HRS segment margin decreased 30 basis point to 7.7% for fiscal year 2019, from 8.0% during fiscal year 2018, primarily due to reduced revenues from our automotive products and services, which carry higher gross margins partially offset by greater contribution from our growing health solutions business. HRS segment margin decreased 10 basis points 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.

IEI segment margin increased 50 basis points to 4.4% for fiscal year 2019, from 3.9% during fiscal year 2018, as a result of improved overhead absorption benefits from the increased revenues and greater levels of design led programs which have higher gross margins, offset by reduced demand in capital equipment and energy. IEI segment margin increased 30 basis points to 3.9% for fiscal year 2018, from 3.6% during fiscal year 2017. This is primarily driven by strong revenue expansion led by several new customer programs and improving overall demand across its diverse market that has provided to overhead absorption benefits.

CEC segment margin increased 20 basis points to 2.6% for fiscal year 2019, from 2.4% during fiscal year 2018. The increase was driven by operational efficiencies and improved absorption of overhead as a result of the 8% increase in revenues. 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.

CTG segment margin increased 20 basis points to 1.8% for fiscal year 2019, from 1.6% during fiscal year 2018, as a result of lower losses from our NIKE operations in Mexico, which we exited in the third quarter of fiscal year 2019, partially offset by under-performance of certain accounts. 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 NIKE operations in Mexico.

Restructuring charges

During fiscal year 2019, we took targeted actions to optimize our portfolio, most notably within CTG. We recognized restructuring charges of approximately $113 million during the fiscal year ended March 31, 2019, of which $73.2 million were non-cash charges primarily for asset impairments. A significant component of our charges were associated with the wind down of our NIKE operations in Mexico in the third quarter of fiscal year 2019 where we recognized charges of $66 million primarily for non-cash asset impairments. In addition, we executed targeted head-count reductions at existing operating and design sites and corporate functions and exited certain immaterial businesses. Of these total charges, approximately $99 million was recognized as a component of cost of sales during the fiscal year ended March 31, 2019.

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. 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. 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.

Refer to note 14 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 $953 million or 3.6% of net sales, during fiscal year 2019, compared to $1.0 billion, or 4.0% of net sales, during fiscal year 2018, decreasing by $66 million or 7%, due to strong cost discipline focused on driving further productivity improvements and a refined cost structure benefiting from prior restructuring initiatives.

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. We also incurred incremental costs from our acquisitions in fiscal year 2018.

Intangible amortization

Amortization of intangible assets in fiscal year 2019 decreased by $5 million to $74 million from $79 million in fiscal year 2018, primarily as a result of certain intangible assets being fully amortized during fiscal year 2019.

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.

Other charges (income), net

During the last half of fiscal year 2019, we reassessed our strategy with respect to our entire investment portfolio. As a result, we recognized an aggregate net charge related to investment impairments and dispositions of approximately $193 million for the year ended March 31, 2019. The aggregate charge was primarily driven by write-downs of our investment positions in a non-core cost method investment and Elementum that were recognized in the third and fourth quarters of fiscal 2019, respectively. We also incurred other investment impairments that were individually immaterial as a result of our strategy shift and due to market valuation changes. Offsetting these charges was an $87 million non-cash gain from the deconsolidation of Bright Machines (formally known as AutoLab AI). Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for details on the investment impairments and the deconsolidation of Bright Machines.

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. 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.

Interest and other, net

Interest and other, net was $183 million during fiscal year 2019, compared to $123 million during fiscal year 2018, increasing $60 million due to a $23 million increase of interest expense primarily from higher weighted average interest rates and a higher average borrowing level, as well as a $21 million increase in interest expense from our accounts receivable sales program, coupled with a $14 million decrease in foreign exchange gains as compared to the prior year.

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.

Income taxes

We work to ensure that we accrue and pay the appropriate amount of income taxes according to the laws and regulations of each jurisdiction in which we operate. 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 48.7%, 17.7% and 13.8% for the fiscal years 2019, 2018 and 2017, 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,		
	2019	2018	2017
Income taxes based on domestic statutory rates	17.0%	17.0%	17.0%
Effect of tax rate differential	(74.1)	(46.9)	(23.0)
Change in liability for uncertain tax positions	(8.4)	4.3	0.2
Change in valuation allowance	105.4	57.1	21.2
Recognition of prior year taxes recoverable	3.0	(10.3)	—
Expiration of tax attributes	2.3	—	—
Other	3.5	(3.5)	(1.6)
Provision for income taxes	48.7%	17.7%	13.8%

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, India, Netherlands and Israel of $24 million, $22 million and $16 million in fiscal years 2019, 2018 and 2017, respectively. Additionally, our effective tax rate is impacted by changes in our liabilities for uncertain tax positions of ($15) million, $22 million, and $1 million and changes in our valuation allowances on deferred tax assets of $192 million, $279 million and $79 million in fiscal years 2019, 2018 and 2017, 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 2019, we released valuation allowance of $3 million related to our operations in Poland as this amount was 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 this subsidiary. Various other valuation allowance positions were also reduced due to varying factors such as recognition of uncertain tax positions impacting deferred tax assets, one-time income recognition in loss entities, and foreign exchange impacts on deferred tax balances. Lastly, these valuation allowance reductions and eliminations were offset 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.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2019, we had cash and cash equivalents of $1.7 billion and bank and other borrowings of $3.1 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, 2019. We have also entered into two credit facilities in India during fiscal year 2019, (i) a $200 million term loan facility entered in July 2018, under which there were $79 million in borrowings outstanding as of the end of fiscal year 2019, and (ii) a $100 million uncommitted credit import advance facility in India, under which there were $91 million in advances outstanding as of March 31, 2019, which we anticipate repaying in fiscal year 2020. Refer to note 7 to the consolidated financial statement in Item 8, "Financial Statements and Supplementary Data" for additional details. As of March 31, 2019, we were in compliance with the covenants under all of our credit facilities and indentures. In April 2019, we entered into an additional $300 million term loan facility as further explained below.

Our cash balances are held in numerous locations throughout the world. As of March 31, 2019, 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, 2019). 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 2019

Cash used in operating activities was $3.0 billion during fiscal year 2019. As further discussed below, cash collections on the deferred purchase price from our ABS sales program of $3.6 billion are now included in cash from investing activities instead of cash from operating activities in accordance with new accounting guidance. The total cash used in operating activities resulted primarily from $93 million of net income for the period plus $804 million of non-cash charges such as depreciation, amortization, restructuring and impairment charges, provision for doubtful accounts, and stock-based compensation, net of a gain of $87 million from the deconsolidation of Bright Machines which are included in the determination of net income. Depreciation expense was $433 million and relatively consistent with prior years. These additions were more than offset by a net change in our operating assets and liabilities of $3.9 billion. In accordance with the new accounting guidance adopted in fiscal 2019 (and further described in note 2 to the consolidated financial statements in Item 8 "Financial Statements and Supplementary Data"), cash collections on deferred purchase price from our ABS programs are now classified as cash flows from investing activities and no longer included in cash receipts related to accounts receivable. As a result, while accounts receivable only increased by approximately $95 million from fiscal year 2018 to fiscal year 2019, the impact to operating cash flows is an outflow of $3.6 billion further described below. Year over year increases in inventory and contract assets also added to the net change in our operating assets and liabilities reflected on our cash flow from operations.

We believe net working capital ("NWC"), and net working capital as a percentage of annualized sales are key metrics that measure our liquidity. NWC was previously calculated as current quarter accounts receivable, net of allowance for doubtful accounts, adding back the reduction in accounts receivable resulting from non-cash accounts receivable sales, plus inventories, less accounts payable. As part of the adoption of ASC 606, we expanded NWC, to include contract assets. We also included certain other current liabilities related to vendor financing programs, which are immaterial for the fiscal year, in the NWC calculation. NWC increased by $32 million to $1.7 billion as of March 31, 2019, from $1.6 billion as of March 31, 2018. This increase is primarily driven by (i) an increase of $216 million in contract assets upon adoption of ASC 606, (ii) a $58 million decrease in accounts receivable adding back reductions from non-cash accounts receivable sales, and (iii) a $77 million decrease in our inventory levels from March 31, 2018, offset by an approximately $25 million increase in accounts payable. Our net working capital as a percentage of annualized net sales as of March 31, 2019 increased slightly to 6.7% as compared to 6.4% of annualized net sales as of March 31, 2018.

Cash provided by investing activities totaled $3.3 billion during fiscal year 2019. This was primarily driven by the impact of our adoption of ASU 2016-15 during the current fiscal year referred to above, which requires us to classify cash collections on deferred purchase price from our ABS programs that were previously classified as operating cash inflows as cash flows from investing activities. Refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and

Supplementary Data", for further description of the ASU. In addition, we received $267 million of proceeds, net of cash held, in connection with the divestitures of our China-based Multek operations as further described in note 17 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data". We also invested $631 million of net capital expenditures for property and equipment to expand capabilities and capacity in support of our expanding IEI and HRS businesses as well as building out capacity in India.

Cash used in financing activities was $30 million during fiscal year 2019. This was primarily the result of repurchases of ordinary shares in the amount of $189 million, offset by $170 million received from the drawdown of India Facilities as further described in note 7 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".

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. 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, an $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.

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 derecognized as of the date of the Elementum 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. 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 were 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. 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 7 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data".

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. Upon adoption of ASU 2016-15 effective for fiscal year 2019, our free cash flow was redefined as cash from operations, plus cash collections of deferred purchase price, less net purchases of property and equipment to present cash flows on a consistent basis for investor transparency. We also exclude the reduction to operating cash flows related to certain vendor programs that is required for US GAAP presentation. Our free cash flow was $3 million, $236 million and $660 million for fiscal years 2019, 2018 and 2017, 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,		
	2019	2018	2017
		(In millions)	
Net cash used in operating activities	$(2,971)	$(3,866)	$(3,822)
Cash collection of deferred purchase price and other	3,605	4,620	4,971
Purchases of property and equipment	(725)	(562)	(525)
Proceeds from the disposition of property and equipment	94	44	36
Free cash flow	$ 3	$ 236	$ 660

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.

We maintain global paying services agreements with several financial institutions. Under these agreements, the financial institutions act as our paying agents with respect to accounts payable due to our suppliers who elect to participate in the program. The agreements allow our suppliers to sell their receivables to one of the participating financial institutions at the discretion of both parties on terms that are negotiated between the supplier and the respective financial institution. Our obligations to our suppliers, including the amounts due and scheduled payment dates, are not impacted by our suppliers' decisions to sell their receivables under this program. At March 31, 2019 and 2018, the cumulative payments due to suppliers participating to the programs amounted to approximately $0.5 billion and $0.3 billion, respectively. Pursuant to their agreement with one of the financial institutions, certain suppliers may elect to be paid early at their discretion. We are not always notified when our suppliers sell receivables under these programs. The available capacity under these programs can vary based on the number of investors and/or financial institutions participating in these programs at any point in time.

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 2019, 2018 and 2017, we received approximately $6.8 billion, $8.0 billion and $7.6 billion, respectively from transfers of receivables under our ABS programs, and $2.7 billion, $1.5 billion and $1.3 billion, respectively from other sales of receivables. As of March 31, 2019, and 2018, the outstanding balance on receivables sold for cash was $1.3 billion, for both years, 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, we 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 our $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. As of March 31, 2019, one of our $500 million Notes due February 2020 has been included in current liabilities on the consolidated balance sheet.

In April 2019, we entered into a JPY 33.5 billion term loan agreement (approximately $300 million) due April 2024, which was then swapped to U.S. dollars. The term loan will be used to fund general operations and refinance certain other outstanding debt. Borrowings under this term loan bear interest, at LIBOR plus the applicable margin of 1.21%

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 16, 2018. During fiscal year 2019, we paid $189 million to repurchase shares (under the current and prior repurchase plans) at an average price of $10.66 per share. As of March 31, 2019, shares in the aggregate amount of $325 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, 2019	As of March 31, 2018
	(In millions)	
4.625% Notes due February 2020	$ 500	$ 500
Term Loan, including current portion, due in installments through November 2021	672	688
Term Loan, including current portion, due in installments through June 2022	459	484
5.000% Notes due February 2023	500	500
4.750% Notes due June 2025	597	596
India Facilities(1)	170	—
Other	168	187
Debt issuance costs	(11)	(14)
	3,055	2,941
Current portion, net of debt issuance costs	(633)	(43)
Non-current portion	$2,422	$2,898

(1) India Facilities as of March 31, 2019 include an approximately $91.4 million drawdown of short-term bank borrowings under a facility entered in February 2019 and a $78.8 million drawdown from the $200 million term loan facility entered in July 2018.

Refer to the discussion in note 7 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	$3,299	$3,299	$ —	$ —	$ —
Long-term debt and capital lease obligations:					
Long-term debt	3,065	634	913	918	600
Capital leases	45	19	19	7	—
Interest on long-term debt obligations	512	140	253	83	36
Operating leases, net of subleases	683	155	207	149	172
Restructuring costs	32	32	—	—	—
Total contractual obligations	$7,636	$4,279	$1,392	$1,157	$808

We have excluded $252 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 13, “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, 2019 and 2018, the fair value of our deferred purchase price receivable was approximately $293 million and $445 million, respectively. As of March 31, 2019 and 2018, the outstanding balance on receivables sold for cash was $1.3 billion for both periods, 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 10 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 highly liquid investment portfolio, 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 highly liquid 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, 2019, the outstanding amount in the highly liquid 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 2.18%. 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 $1.5 billion as of March 31, 2019. Variable rate debt obligations consisted of borrowings under our term loans. Interest on these obligations is discussed in note 7 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, 2019, 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 99.9% 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, 2019 amounted to $7.8 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 Brazilian real, British pound, China renminbi, Euro, Hungarian forint, Indian rupee, Malaysian ringgit, Mexican peso, Singapore dollar, and U.S. dollar.

Based on our overall currency rate exposures as of March 31, 2019, 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.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

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, 2019 and 2018, 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, 2019 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, 2019 and 2018, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2019, 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, 2019, 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 May 20, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principles

As discussed in Note 2 to the financial statements, the Company changed its method of accounting for revenue from contracts with customers in fiscal year 2019 due to the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers, using the modified retrospective approach. As also discussed in Note 2 to the financial statements, the Company changed its method of accounting for cash receipts on the deferred purchase price from asset-backed securitization programs in fiscal year 2019 due to the adoption of ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* using the retrospective approach.

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 audits 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
May 20, 2019
We have served as the Company's auditors since 2002.

FLEX LTD.

CONSOLIDATED BALANCE SHEETS

	As of March 31, 2019	As of March 31, 2018
	(In thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,696,625	$ 1,472,424
Accounts receivable, net of allowance for doubtful accounts (Note 2)	2,612,961	2,517,695
Contract assets	216,202	—
Inventories	3,722,854	3,799,829
Other current assets	854,790	1,380,466
Total current assets	9,103,432	9,170,414
Property and equipment, net	2,336,213	2,239,506
Goodwill	1,073,055	1,121,170
Other intangible assets, net	330,995	424,433
Other assets	655,672	760,332
Total assets	$13,499,367	$13,715,855
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	$ 632,611	$ 43,011
Accounts payable	5,147,236	5,122,303
Accrued payroll	391,591	383,332
Other current liabilities	1,426,075	1,719,418
Total current liabilities	7,597,513	7,268,064
Long-term debt, net of current portion	2,421,904	2,897,631
Other liabilities	507,590	531,587
Commitments and contingencies (Note 12)		
Shareholders' equity		
Flex Ltd. Shareholders' equity		
Ordinary shares, no par value; 566,787,620 and 578,317,848 issued, and 516,548,265 and 528,078,493 outstanding as of March 31, 2019 and 2018, respectively	6,523,750	6,636,747
Treasury stock, at cost; 50,239,355 shares as of March 31, 2019 and 2018, respectively	(388,215)	(388,215)
Accumulated deficit	(3,012,012)	(3,144,114)
Accumulated other comprehensive loss	(151,163)	(85,845)
Total shareholders' equity	2,972,360	3,018,573
Total liabilities and shareholders' equity	$13,499,367	$13,715,855

The accompanying notes are an integral part of these consolidated financial statements.

FLEX LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands, except per share amounts)		
Net sales	$26,210,511	$25,441,131	$23,862,934
Cost of sales	24,593,731	23,778,404	22,303,231
Restructuring charges	99,005	66,845	38,758
Gross profit	1,517,775	1,595,882	1,520,945
Selling, general and administrative expenses	953,077	1,019,399	937,339
Intangible amortization	74,396	78,640	81,396
Restructuring charges	14,308	23,846	10,637
Interest and other, net	183,454	122,823	99,532
Other charges (income), net	110,414	(169,719)	21,193
Income before income taxes	182,126	520,893	370,848
Provision for income taxes	88,727	92,359	51,284
Net income	$ 93,399	$ 428,534	$ 319,564
Earnings per share:			
Basic	$ 0.18	$ 0.81	$ 0.59
Diluted	$ 0.18	$ 0.80	$ 0.59
Weighted-average shares used in computing per share amounts:			
Basic	526,519	529,782	540,503
Diluted	530,070	536,598	546,220

The accompanying notes are an integral part of these consolidated financial statements.

FLEX LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal Year Ended March 31,		
	2019	2018	2017
		(In thousands)	
Net income	$ 93,399	$428,534	$319,564
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of zero tax	(59,508)	45,618	(1,324)
Unrealized gain (loss) on derivative instruments and other, net of zero tax	(5,810)	(3,320)	9,096
Comprehensive income	$ 28,081	$470,832	$327,336

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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, 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 restricted share unit 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 restricted share unit 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
Repurchase of Flex Ltd. ordinary shares at cost	(17,726)	(188,978)	—	—	—	—	(188,978)	—	(188,978)
Exercise of stock options . .	244	245	—	—	—	—	245	—	245
Issuance of Flex Ltd. vested shares under restricted share unit awards	5,952	—	—	—	—	—	—	—	—
Net income	—	—	93,399	—	—	—	93,399	—	93,399
Stock-based compensation, net of tax	—	76,032	—	—	—	—	76,032	—	76,032
Cumulative effect on opening equity of adopting accounting standards and other	—	(296)	38,703	—	—	—	38,407	—	38,407
Total other comprehensive loss	—	—	—	(5,810)	(59,508)	(65,318)	(65,318)	—	(65,318)
BALANCE AT MARCH 31, 2019 . . .	516,548	$6,135,535	$(3,012,012)	$(41,556)	$(109,607)	$(151,163)	$2,972,360	$ —	$2,972,360

The accompanying notes are an integral part of these consolidated financial statements.

FLEX LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended March 31,		
	2019	2018	2017
		(In thousands)	
Cash flows from operating activities:			
Net income	$ 93,399	$ 428,534	$ 319,564
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	433,413	434,432	432,238
Amortization and other impairment charges	331,539	120,932	177,422
Provision for doubtful accounts (Note 2)	41,977	8,225	(184)
Non-cash other loss (income)	12,655	(58,223)	6,858
Stock-based compensation	76,032	81,346	77,330
Gain from deconsolidation of subsidiary entity (Note 2)	(86,614)	(151,574)	—
Deferred income taxes	(13,856)	43,187	(20,041)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(3,628,129)	(4,916,843)	(5,136,256)
Contract assets	215,877	—	—
Inventories	(360,152)	(354,319)	85,047
Other current and noncurrent assets	(7,541)	(138,184)	84,949
Accounts payable	68,070	623,148	268,686
Other current and noncurrent liabilities	(147,694)	13,004	(117,721)
Net cash used in operating activities	(2,971,024)	(3,866,335)	(3,822,108)
Cash flows from investing activities:			
Purchases of property and equipment	(725,606)	(561,997)	(525,111)
Proceeds from the disposition of property and equipment	94,219	44,780	35,606
Acquisitions of businesses, net of cash acquired	(12,796)	(268,377)	(189,084)
Divestitures of businesses, net of cash held in divested businesses	267,147	(2,949)	36,731
Cash collections of deferred purchase price	3,585,901	4,619,933	4,972,017
Other investing activities, net	44,032	(120,442)	(60,329)
Net cash provided by investing activities	3,252,897	3,710,948	4,269,830
Cash flows from financing activities:			
Proceeds from bank borrowings and long-term debt	3,199,460	1,366,000	312,741
Repayments of bank borrowings and long-term debt	(3,059,828)	(1,420,977)	(141,730)
Payments for repurchases of ordinary shares	(188,979)	(180,050)	(349,532)
Proceeds from exercise of stock options	245	2,774	12,438
Other financing activities, net	19,398	44,468	(76,024)
Net cash used in financing activities	(29,704)	(187,785)	(242,107)
Effect of exchange rates on cash	(27,968)	(15,079)	17,490
Net change in cash and cash equivalents	224,201	(358,251)	223,105
Cash and cash equivalents, beginning of year	1,472,424	1,830,675	1,607,570
Cash and cash equivalents, end of year	$ 1,696,625	$ 1,472,424	$ 1,830,675

Annual Report

The accompanying notes are an integral part of these 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*® services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. The Company designs, builds, ships and manages complete packaged consumer and enterprise products, from medical devices and connected automotive systems to sustainable lighting and cloud and data center solutions for companies of all sizes in various industries and end-markets, through its activities in the following segments:

- High Reliability Solutions (“HRS”), which is comprised of our health solutions business, including surgical equipment, drug delivery, diagnostics, telemedicine, disposable devices, imaging and monitoring, patient mobility and ophthalmology; and our automotive business, including vehicle electrification, connectivity, autonomous, and smart technologies;
- Industrial and Emerging Industries (“IEI”), which is comprised of energy including advanced metering infrastructure, energy storage, smart lighting, smart solar energy; and industrial, including semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks;
- 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, and switching products for 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; and
- Consumer Technologies Group (“CTG”), which includes our consumer-related businesses in IoT enabled devices, audio and consumer power electronics, mobile devices; and various supply chain solutions for consumer, computing and printing devices.

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 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, 2019, the noncontrolling interest was not material as a result of the deconsolidation of one of the Company’s subsidiaries. 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

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

material to the Company's results of operations for all periods presented, and is classified as a component of 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; valuation of investments in privately held companies; asset impairments; fair values of financial instruments including highly liquid investments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; accruals for potential price adjustments arising from customer contracts; fair values of assets obtained and liabilities assumed in business combinations and the fair values of stock options and restricted share unit 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 all periods presented, and have been classified as a component of interest and other, net in the consolidated statements of operations.

Revenue Recognition

In determining the appropriate amount of revenue to recognize, Flex applies 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 Company satisfies a performance obligation. Further, the Company assesses whether control of the product or services promised under the contract is transferred to the customer at a point in time (PIT) or over time (OT). Flex is first required to evaluate whether its contracts meet the criteria for OT recognition. The Company has determined that for a portion of its contracts, it is manufacturing products for which there is no alternative use (due to the unique nature of the customer-specific product and IP restrictions) and Flex has an enforceable right to payment including a reasonable profit for work-in-progress inventory with respect to these contracts. As a result, revenue is recognized under these contracts OT based on the cost-to-cost method as it best depicts the transfer of control to the customer measured based on the ratio of costs incurred to date as compared to the total estimated costs at completion of the

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

performance obligation. For all other contracts that do not meet these criteria, the Company recognizes revenue when it has transferred control of the related manufactured products which generally occurs upon delivery and passage of title to the customer. Refer to note 3 “Revenue Recognition” for further details.

On April 1, 2018, the Company adopted the Accounting Standard Codification 606 (“ASC 606”) using the modified retrospective approach by applying the guidance to all open contracts at the adoption date and has implemented revised accounting policies, new operational and financial reporting processes, enhanced systems capabilities and relevant internal controls.

As part of adopting ASC 606, revenue for certain customer contracts where the Company is manufacturing products for which there is no alternative use and the Company has an enforceable right to payment including a reasonable profit for work-in-progress, revenue is recognized over time (i.e., as the Company manufactures the product) instead of upon shipment of products. In addition to the following disclosures, note 3 “Revenue Recognition” provides further disclosures required by the new standard.

The cumulative effect of change made to the Company’s April 1, 2018 condensed consolidated balance sheet for the adoption of ASC 606 was as follows:

Condensed Consolidated Balance Sheet

	Impact of Adopting ASC 606		
	Balance at March 31, 2018	Adjustments	Balance at April 1, 2018
		(In thousands)	
ASSETS			
Contract assets	$ —	$ 451,287	$ 451,287
Inventories	3,799,829	(447,752)	3,352,077
Other current assets	1,380,466	(51,479)	1,328,987
LIABILITIES AND SHAREHOLDERS’ EQUITY			
Other current liabilities	1,719,418	(87,897)	1,631,521
Other liabilities	531,587	2,098	533,685
Accumulated deficit	$(3,144,114)	$ 37,855	$(3,106,259)

The adoption of ASC 606 resulted in the establishment of contract asset and contract liability balance sheet accounts and in the reclassification to these new accounts from certain asset and liability accounts, primarily inventories. The decrease in accumulated deficit in the table above reflects $37.9 million of net adjustments to the balance sheet as of April 1, 2018, resulting from the adoption of ASC 606 primarily related to certain customer contracts requiring an over-time method of revenue recognition. The declines in inventories and other current assets reflect reclassifications to contract assets due to the earlier recognition of certain costs of products sold for over-time contracts. The decline in other current liabilities is primarily due to the reclassification of payments from customers in advance of work performed to contract assets to reflect the net position of the related over-time contracts.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

The following tables summarize the impacts of ASC 606 adoption on the Company's consolidated balance sheets and consolidated statements of operations:

Condensed Consolidated Balance Sheet
As of March 31, 2019

	Impact of Adopting ASC 606		
	As Reported	Adjustments	Balance without ASC 606 Adoption
		(In thousands)	
ASSETS			
Contract assets	$ 216,202	$(216,202)	$ —
Inventories	3,722,854	252,844	3,975,698
Other current assets	854,790	8,865	863,655
LIABILITIES AND SHAREHOLDERS' EQUITY			
Other current liabilities	1,426,075	65,705	1,491,780
Accumulated deficit	$(3,012,012)	$ (35,114)	$(3,047,126)

Condensed Consolidated Statement of Operations

	Fiscal Year Ended March 31, 2019		
	Impact of Adopting ASC 606		
	As Reported	Adjustments	Balance without ASC 606 Adoption
		(In thousands)	
Net sales	$26,210,511	$(25,665)	$26,184,846
Cost of sales (including restructuring charges)	24,692,736	(28,406)	24,664,330
Gross profit	$ 1,517,775	$ 2,741	$ 1,520,516

In the first quarter of fiscal year 2019, to align contractual terms across the vast majority of customers to allow the Company to efficiently and accurately manage its contracts the Company waived certain contractual rights to bill profit for work in progress in the event of a contract termination, which is expected to be infrequent. These modifications resulted in revenue from these customers being recognized upon shipment of products, rather than over time (i.e., as the Company manufactures products) as further explained in note 3. The result of the modifications for the fiscal year 2019 reduced revenue and gross profit by approximately $132.7 million and $9.3 million, respectively, compared to amounts that would have been reported both (i) under ASC 606 had the Company not amended the contracts, and (ii) had the Company not adopted ASC 606.

The impacts to revenue and gross profit as a result of the adoption of ASC 606 are driven by a number of factors including the timing of inventory levels for over time ("OT") customers at the end of each reporting period and the mix of customer profitability.

For the fiscal year ended March 31, 2019 the as reported revenue was approximately $25.7 million higher and the gross profit approximately $2.7 million lower than it would have been without the adoption of ASC 606. Additional revenue of $158.4 million was reported under ASC 606 due to the accelerated timing of recognition of revenue for contracts which meet the criteria for over-time recognition and revenue recognized for certain contracts that no longer qualify for net revenue treatment. Approximately $6.5 million of additional gross profit was recognized on the customers qualifying for accelerated revenue recognition. These increases were offset by reductions of $132.7 million of revenue and $9.3 million of gross profit respectively, as a result of the waiver of contract rights noted above. There was no material tax impact for the fiscal year ended March 31, 2019 from the adoption of ASC 606.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

The Company applies the following practical expedients:

- The Company elected to not disclose information about remaining performance obligations as its performance obligations generally have an expected duration of one year or less.
- In accordance with ASC 606-10-25-18B the Company will account for certain shipping and handling as activities to fulfill the promise to transfer the good, instead of a promised service to its customer.
- In accordance with ASC 606-10-32-18 the Company elected to not adjust the promised amount of consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will generally be one year or less.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are primarily accounts receivable, derivative instruments, and cash and cash equivalents.

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.

The following table summarizes the activity in the Company's allowance for doubtful accounts during fiscal years 2019, 2018 and 2017:

	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, 2017	$64,608	$ (184)	$ (7,122)	$57,302
Year ended March 31, 2018	57,302	8,225	(5,476)	60,051
Year ended March 31, 2019(1)	60,051	41,977	(10,632)	91,396

(1) Charges incurred during fiscal year 2019 are primarily for costs and expenses related to various distressed customers.

No customer accounted for greater than 10% of the Company's net sales in fiscal years 2019, 2018 and 2017. One customer within the Company's CTG segment accounted for approximately 11% of the Company's total balance of accounts receivable, net in fiscal year 2019. One customer within the Company's CTG segment accounted for approximately 17% of the Company's total balances of accounts receivable, net in fiscal years 2018 and 2017, respectively.

The Company's ten largest customers accounted for approximately 43%, 41% and 43%, of its net sales in fiscal years 2019, 2018 and 2017, respectively.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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 8.

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,	
	2019	2018
	(In thousands)	
Cash and bank balances	$1,222,737	$1,019,802
Money market funds and time deposits	473,888	452,622
	$1,696,625	$1,472,424

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,	
	2019	2018
	(In thousands)	
Raw materials	$2,922,101	$2,760,410
Work-in-progress	366,135	450,569
Finished goods	434,618	588,850
	$3,722,854	$3,799,829

Due to the adoption of ASC 606, amounts that would have been reported as inventory under prior guidance are now included in contract assets or liabilities, depending on the net position of the contract, as disclosed above. As a result of this accounting change, work-in-progress and finished goods as of March 31, 2019 are $252.8 million less than they would have been, had the Company not adopted ASC 606. The comparative information as of March 31, 2018, has not been restated and continues to be reported under the accounting standards in effect at that time.

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 depreciated over

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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, 2019	As of March 31, 2018
		(In thousands)	
Machinery and equipment	3 - 10	$ 3,305,335	$ 3,004,707
Buildings	30	1,111,708	1,154,881
Leasehold improvements	up to 30	453,119	414,917
Furniture, fixtures, computer equipment and software	3 - 7	501,994	482,248
Land	—	121,976	152,992
Construction-in-progress	—	291,458	287,724
		5,785,590	5,497,469
Accumulated depreciation and amortization		(3,449,377)	(3,257,963)
Property and equipment, net		$ 2,336,213	$ 2,239,506

Total depreciation expense associated with property and equipment was approximately $433.4 million, $434.4 million and $432.2 million in fiscal years 2019, 2018 and 2017, respectively.

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 strategically pursued business and asset acquisitions, which are accounted for using the acquisition method of accounting. During fiscal year 2019, the Company adopted the Accounting Standard Update (ASU) No. 2017-01 “Clarifying the Definition of a Business” which did not have a material impact to its financial position as there were no material acquisitions during the period (Refer to “*Recently Adopted Accounting Pronouncement*” below for more details on the ASU). 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.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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 typically is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. These approaches use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy and require management to make various judgmental assumptions about sales, operating margins, growth rates and discount rates which consider its budgets, business plans and economic projections, and are believed to reflect market participant views. Some of the inherent estimates and assumptions used in determining fair value of the reporting units are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDA comparable and credit ratings. While the Company believes it has made reasonable estimates and assumptions to calculate the fair value of the reporting units, it is possible a material change could occur. If the actual results are not consistent with management's estimates and assumptions used to calculate fair value, it could result in material impairments of the Company's goodwill. During fiscal year 2019, the Company adopted ASU 2017-04 "Simplifying the Test for Goodwill Impairment", which simplifies the subsequent measurement of goodwill by eliminating step 2 from the goodwill impairment test. The ASU did not have a material impact to Flex's financial position during the period as there were no identified impairments during the period. (Refer to "*Recently Adopted Accounting Pronouncement*" below for more details on the ASU).

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.

The Company has four reporting units, which correspond to its four reportable operating segments: HRS, IEI, CEC and CTG. The Company concluded that there was no change to its reporting units in fiscal year 2019 and performed its goodwill impairment assessment on January 1, 2019. The Company 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 one of its reporting units exceeded its respective carrying value. As of the date of the impairment test, all reporting units' fair values were 25% or more, over their respective carrying values, with the exception of the CTG reporting unit which was 22% in excess of its carrying value. The estimated future results for CTG used in the impairment analysis reflect the Company's revised strategy including the wind down of the Company's NIKE operations in Mexico, further restrictions on capital expenditures related to the Company's expansion into India and the Company's focus on partnering with well-funded, leading multi-national brands that control multiple categories of products and have regional demand requirements.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

The following table summarizes the activity in the Company's goodwill during fiscal years 2019 and 2018 (in thousands):

	HRS	IEI	CEC	CTG	Total
Balance, as of March 31, 2017	$420,935	$337,707	$115,002	$111,223	$ 984,867
Additions(1)	75,280	—	9,730	—	85,010
Divestitures(2)	—	—	—	(3,475)	(3,475)
Foreign currency translation adjustments(3)	54,768	—	—	—	54,768
Balance, as of March 31, 2018	550,983	337,707	124,732	107,748	1,121,170
Additions(1)	—	—	10,984	—	10,984
Divestitures(2)	(5,303)	(4,450)	(6,391)	(4,484)	(20,628)
Foreign currency translation adjustments(3)	(38,471)	—	—	—	(38,471)
Balance, as of March 31, 2019	$507,209	$333,257	$129,325	$103,264	$1,073,055

(1) The goodwill generated from the Company's business combinations completed during the fiscal years 2019 and 2018 are primarily related to value placed on the employee workforce, service offerings, 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 17. Also included in fiscal year 2018 were 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 during the fiscal year ended March 31, 2018.

(2) During the fiscal year ended March 31, 2019, the Company divested its China-based Multek operations along with another non-strategic immaterial business, and as a result, recorded an aggregate reduction of goodwill of $20.6 million. During the fiscal year ended March 31, 2018, the Company disposed of Wink Labs Inc. ("Wink"), a business within the CTG segment.

(3) During the fiscal years ended March 31, 2019 and 2018, the Company recorded $38.5 million and $54.8 million, respectively, of foreign currency translation adjustments primarily related to historical acquisitions, 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, 2019 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 through business

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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, 2019			As of March 31, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets:						
Customer-related intangibles	$297,306	$(113,627)	$183,679	$306,943	$ (79,051)	$227,892
Licenses and other intangibles	274,604	(127,288)	147,316	304,007	(107,466)	196,541
Total	$571,910	$(240,915)	$330,995	$610,950	$(186,517)	$424,433

Total intangible asset amortization expense recognized in operations during fiscal years 2019, 2018 and 2017 was $74.4 million, $78.6 million and $81.4 million, respectively. The gross carrying amounts of intangible assets are removed when fully amortized. During fiscal year 2019, the gross carrying amounts of fully amortized intangible assets totaled $9.4 million. The Company also recorded $21.0 million foreign currency translation adjustments during fiscal year 2019, as the U.S. Dollar fluctuated against foreign currencies for certain intangibles. As of March 31, 2019, the weighted-average remaining useful lives of the Company's intangible assets were approximately 6.3 years for customer-related intangibles and approximately 5.5 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)
2020	$ 64,917
2021	60,604
2022	52,099
2023	44,390
2024	42,830
Thereafter	66,155
Total amortization expense	$330,995

The Company owns or licenses various United States and foreign patents relating to a variety of technologies. For certain of the Company's proprietary processes, inventions, and works of authorship, the Company relies on trade secret or copyright protection. The Company also maintains trademark rights (including registrations) for the Company's corporate name and several other trademarks and service marks that the Company uses in the Company's business in the United States and other countries throughout the world. The Company has implemented appropriate policies and procedures (including both technological means and training programs for the Company's employees) to identify and protect the Company's intellectual property, as well as that of the Company's customers and suppliers. As of March 31, 2019 and 2018, the carrying value of the Company's 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

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

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 8.

Other Current Assets

Other current assets include approximately $292.5 million and $445.4 million as of March 31, 2019 and 2018, respectively for the deferred purchase price receivable from the Company's Asset-Backed Securitization programs. See note 10 for additional information. Assets held for sale related to the China-based Multek operations previously recorded in other current assets have been removed from the consolidated balance sheet as of March 31, 2019, following the execution of the divestiture during the Company's second quarter of fiscal year 2019. See note 17 for additional information.

Investments

The Company has an investment portfolio that consists of strategic investments in privately held companies, and certain venture capital funds which are included within other assets. These privately held companies range from startups to more mature companies with established revenue streams and business models. As of March 31, 2019, and March 31, 2018, the Company's investments in non-consolidated companies totaled $294.1 million and $411.1 million, respectively. During the last half of fiscal year 2019, the Company reassessed its strategy with respect to its investment portfolio. As a result of the change in the Company's strategy and due to market valuation changes, the Company recognized an aggregate net charge related to investment impairments and dispositions of approximately $193 million for the fiscal year ended March 31, 2019, which is recorded in other charges (income), net on the consolidated statement of operations. The aggregate charge was primarily driven by write-downs of the Company's investment positions in a non-core cost method investment and Elementum as well as other investment impairments that were individually immaterial.

Non-consolidated investments in entities are accounted for using the equity method 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 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 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. Cost method is used for investments which the Company does not have the ability to significantly influence the operating decisions of the investee, or if the Company's investment is in securities other than common stock or in-substance common stock.

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, or Level 3 inputs, as defined by the fair value hierarchy, and require management to make various judgmental assumptions about primarily comparable company multiples and discounted cash flow projections. Some of the inherent estimates and assumptions used in

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

determining fair value of the investments are outside the control of management. While the Company believes it has made reasonable estimates and assumptions to calculate the fair value of the investments, it is possible a material change could occur. If the actual results are not consistent with management's estimates and assumptions used to calculate fair value, it could result in material impairments of investments.

For investments accounted for under cost method that do not have readily determinable fair values, the Company has elected, per ASU 2016-01 and commencing on April 1, 2018, to measure them at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

Investment in Elementum SCM (Cayman) Ltd ("Elementum)

Starting in fiscal year 2014, the Company had a majority owned subsidiary, 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 period ended March 31, 2017.

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 and 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 for the year ended March 31, 2018. Further, the Company derecognized approximately $72.6 million of cash of Elementum as of the date of deconsolidation, which was 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. The Company no longer recognizes the carrying value of the noncontrolling interest as a component of total shareholder's equity. As of March 31, 2018, the carrying value of the Company's variable interest in Elementum was approximately $125 million included in other assets on the consolidated balance sheet.

During the fourth quarter of fiscal year 2019, the Company and Elementum executed agreements that provided for, among other things, the termination of certain commercial agreements between the Company and Elementum, the repurchase of certain shares of Elementum held by the Company and the removal of certain rights associated with such shares, including the Company's right to elect certain members of Elementum's board of directors. Management initiated a valuation of the Company's remaining investment using the public guideline company approach which relied on inputs such as comparable company multiples that would be considered Level 3 inputs in the fair value hierarchy. The latest valuation of the remaining investment resulted in a total charge of approximately $84 million, which is included in other charges (income), net on the consolidated statement of operations for the year ended March 31, 2019. The Company's remaining investment in Elementum is accounted for as a cost method investment, and is included in other assets on the consolidated balance sheet.

Joint Venture with RIB Software AG

During fiscal year 2017, the Company formed a joint venture with RIB Software AG, a provider of technology for the construction industry. The Company contributed $60.0 million for a non-controlling

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

interest in this joint venture which was included in cash flows from other investing activities net in the consolidated statement of cash flows for the year ended March 31, 2017.

During the third quarter of fiscal year 2019, the Company sold its non-controlling interest in the joint venture with RIB Software AG, a provider of technology for the construction industry, to its former joint venture partner, for a total consideration of approximately $48.4 million. The Company recognized an immaterial gain on sale, which is recorded in other charges (income), net on the consolidated statement of operations for the fiscal year ended March 31, 2019. The cash inflows received as consideration have been included in cash flows from other investing activities during the same period.

Investment in Unrelated Third-party Company

During the third quarter of fiscal year 2019, the Company noted, as part of the evaluation of its investment portfolio, a significant deterioration in a certain investee's performance and near-term projections. Additionally, the Company identified certain risks around that investee's capability to acquire additional funding to support its operation in the near term. The Company considered these facts as triggering events for impairment evaluations, and as a result recognized a $76 million impairment charge during the fiscal year ended March 31, 2019, which is included in other charges (income), net on the consolidated statement of operations. The remaining carrying value of this investment at March 31, 2019 was immaterial, and was determined using a discounted cash flow approach which relied on inputs that would be considered Level 3 inputs in the fair value hierarchy.

Bright Machines (formerly known as AutoLab AI)

During the first quarter of fiscal year 2019, the Company transferred existing employees and equipment with a net book value of approximately $35 million along with certain related software and Intellectual Property ("IP"), into the newly created Bright Machines, in exchange for shares of preferred stock and a controlling financial interest in Bright Machines. Bright Machines is a privately held software-as-a service (SaaS) and hardware company focused on developing and deploying an automation solution worldwide. The Company has concluded that Bright Machines does not qualify as a variable interest entity for purposes of evaluating whether it has a controlling financial interest.

Subsequent to the initial formation and prior to June 29, 2018, Bright Machines received equity funding from third party investors and expanded the board of directors, resulting in dilution of the Company's voting interest to below 50%. As a result, the Company concluded it no longer held a controlling financial interest in Bright Machines and accordingly, deconsolidated the entity.

The fair value of the Company's non-controlling interest in Bright Machines upon deconsolidation was approximately $127.6 million as of the date of deconsolidation. The Company accounts for its investment in Bright Machines under the equity method, with the carrying amount included in other assets on the consolidated balance sheet. The value of the Company's interest on the date of deconsolidation was based on management's estimate of the fair value of Bright Machines at that time. Management relied on a multi-stage process which involved calculating the enterprise and equity value of Bright Machines, then allocating the equity value of the entity to the Company's securities. The enterprise value of Bright Machines was estimated based on the value implied by the equity funding Bright Machines received from third parties in the same period (i.e., level 2 inputs). The Company recognized a gain on deconsolidation of approximately $87 million with no material tax impact, which is included in other charges (income), net on the consolidated statement of operations.

Concurrently with the deconsolidation, the Company engaged Bright Machines as a strategic partner to develop and deploy automation solutions for Flex and entered into a 5-year subscription agreement for use of fixed assets along with other automation services. The subscription agreement provides the Company with the use of the assets previously contributed to Bright Machines and

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

accordingly is accounted for as a capital lease. As a result, the Company has recognized a capital lease asset and obligation with balances of $30.3 million and $34.8 million as of March 31, 2019, respectively, in the consolidated balance sheets.

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. Bright Machines became a related party to the Company starting on the date of deconsolidation. Subscription fees under the Bright Machines agreement were immaterial for the fiscal year ended March 31, 2019.

Other Current Liabilities

Other current liabilities include customer working capital advances of $266.3 million and $153.6 million, customer-related accruals of $260.1 million and $439.0 million, and deferred revenue of $271.8 million and $329.0 million as of March 31, 2019 and 2018, 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. Liabilities held for sale related to the China-based Multek operations of approximately $144 million as of March 31, 2018, previously included in other current liabilities have been removed from the consolidated balance sheet as of March 31, 2019, following the execution of the divestiture. See note 17 for additional information.

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 14 for additional information regarding restructuring charges.

Recently Adopted Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update (ASU) No. 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. The Company adopted the guidance on a prospective basis during the first quarter of fiscal year 2019, which did not have a material impact to its financial position as there were no material acquisitions during the period of adoption.

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 adopted the guidance during fiscal

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

year 2019 without a material impact to its financial position as there were no identified impairments during the period.

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 was consistent with the Company's current cash flow classification. However, cash receipts on the deferred purchase price from the Company's asset-backed securitization programs described in note 10 are now classified as cash flows from investing activities instead of the Company's former presentation as cash flows from operations. The Company adopted the guidance during the first quarter of fiscal year 2019 and retrospectively adjusted cash flows from operating and investing activities for fiscal year 2018. The Company recorded $3.6 billion of cash receipts on the deferred purchase price from the Company's asset-backed securitization programs for the fiscal year ended March 31, 2019 and reclassified $4.6 billion and $5.0 billion of cash receipts on the deferred purchase price for the fiscal years ended March 31, 2018 and 2017, from cash flows from operating activities to cash flows from investing activities, respectively.

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. The Company adopted this guidance on April 1, 2018 with an immaterial impact on the Company's financial position, results of operations and cash flows.

In February 2018, the FASB issued ASU 2018-03 "Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." This standard comes as an addition to ASU 2016-01 which the Company adopted in the first quarter of fiscal year 2019. This update includes amendments to clarify certain aspects of the guidance issued in Update 2016-01. The Company adopted this guidance during the second quarter of fiscal year 2019 with an immaterial impact on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers (Topic 606)" (also referred to as Accounting Standard Codification 606 ("ASC 606")). As noted above, the Company adopted the standard on April 1, 2018 using the modified retrospective approach by applying the guidance to all open contracts at the adoption date and has implemented revised accounting policies, new operational and financial reporting processes, enhanced systems capabilities and relevant internal controls. Details of the impact of adopting ASC 606 has been described in the Revenue Recognition section above.

Recently Issued Accounting Pronouncements

In November 2018, the FASB issued ASU 2018-19 "Codification Improvements to Topic 326: Financial Instruments—Credit Losses" to introduce an expected credit loss methodology for the impairment of financial assets measured at amortized cost basis. That methodology replaces the probable, incurred loss model for those assets. The guidance is effective for the Company beginning in the first quarter of fiscal year 2021 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 2021.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

In October 2018, the FASB issued ASU 2018-17 “Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities” to provide a new private company variable interest entity exemption and changes how decision makers apply the variable interest criteria. The guidance is effective for the Company beginning in the first quarter of fiscal year 2021 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 2021.

In August 2018, the FASB issued ASU 2018-15 “Intangibles—Goodwill and Other—Internal—Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract” to provide guidance on a customer’s accounting for implementation, set-up, and other upfront costs incurred in a cloud computing arrangement that is hosted by the vendor, i.e., a service contract. Under the new guidance, customers will apply the same criteria for capitalizing implementation costs as they would for an arrangement that has a software license. The new guidance also prescribes the balance sheet, income statement, and cash flow classification of the capitalized implementation costs and related amortization expense, as well as requires additional quantitative and qualitative disclosures. The guidance is effective for the Company beginning in the first quarter of fiscal year 2021 with early adoption permitted. The Company is still evaluating the impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2021.

In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement”, which amends ASC 820 to add, remove, and modify fair value measurement disclosure requirements. The 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 June 2018, the FASB issued ASU 2018-07 “Compensation—Stock Compensation (Topic 718): Improvement to Nonemployee Share-Based Payment Accounting” with the objective of simplifying several aspects of the accounting for nonemployee share-based payment transactions in current GAAP. The 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 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 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 February 2016, the FASB issued ASU No. 2016-02, Leases with subsequent updates through 2018 (together “ASC 842”). The new standard is intended to improve financial reporting of lease transactions by requiring lease assets and liability to be recorded on the balance sheet for the rights and obligations created by leases that extend more than twelve months. ASC 842 also requires additional disclosures for the amount, timing, and uncertainty of cash flows arising from leases.

ASC 842 is effective for financial statements issued for annual and interim periods beginning after December 15, 2018 for public business entities. The Company adopted the new standard on its

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

effective date of April 1, 2019, using the effective date method. Under this method, the initial recognition of lease assets and liabilities as required by ASC 842 will occur on April 1, 2019, and financial information for comparative periods prior to that date will not be updated. ASC 842 provides a number of optional practical expedients impacting transition to the new standard. Management elected the package of practical expedients which, among other things, allows the Company to carry forward historical lease classification in place prior to April 1, 2019.

ASC 842 also provides practical expedients for an entity's accounting after transition. Management has elected the short-term lease recognition exemption for all leases that qualify, as well as the practical expedient to not separate lease and non-lease components, Both of these expedients were elected for all classes of underlying leased assets.

As a balance sheet impact upon adoption, the Company expects to recognize right-of-use assets and operating lease liabilities, respectively, in the range of approximately $550 million to $750 million. The Company is continuing to assess the impact of adopting the new standard on its consolidated financial statements but does not expect a material impact on its consolidated statement of operations or its consolidated statement of cash flows. The Company is also continuing to adjust its accounting policies, operational and financial reporting processes, systems capabilities and relevant internal controls.

In December 2017, the Securities and Exchange Commission ("SEC") staff issued Staff Accounting Bulletin No. 118 (SAB 118), Income Tax Accounting Implications of the Tax Cuts and Jobs Act ("Tax Act"), which allowed the Company to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. As of March 31, 2019, the Company has finalized all provisional amounts related to the Tax Act. Finalizing provisional adjustments related to the Tax Act did not have a material impact on the Company's consolidated financial statements as of March 31, 2019. The Company expects further guidance may be forthcoming from the FASB and the SEC, as well as regulations, interpretations and rulings from federal and state tax agencies, which could result in additional impacts.

3. REVENUE

Revenue Recognition

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 first step in its process for revenue recognition is to identify a contract with a customer. A contract is defined as an agreement between two parties that create enforceable rights and obligations and can be written, verbal, or implied. 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., and the level of business under those agreements may not be guaranteed. In those instances, the Company bids on a program-by-program basis and typically receives 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, product addenda, emails or other communications that embody the commitment by the customer.

In determining the appropriate amount of revenue to recognize, the Company applies 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 Company satisfies a performance obligation. Further, the Company assesses whether control of the product or services promised under

3. REVENUE (Continued)

the contract is transferred to the customer at a point in time (PIT) or over time (OT). The Company is first required to evaluate whether its contracts meet the criteria for OT recognition. The Company has determined that for a portion of its contracts the Company is manufacturing products for which there is no alternative use (due to the unique nature of the customer-specific product and IP restrictions) and the Company has an enforceable right to payment including a reasonable profit for work-in-progress inventory with respect to these contracts. As a result, revenue is recognized under these contracts OT based on the cost-to-cost method as it best depicts the transfer of control to the customer measured based on the ratio of costs incurred to date as compared to the total estimated costs at completion of the performance obligation. For all other contracts that do not meet these criteria, the Company recognizes revenue when it has transferred control of the related manufactured products which generally occurs upon delivery and passage of title to the customer.

Customer Contracts and Related Obligations

Certain of the Company's customer agreements include potential price adjustments which may result in variable consideration. 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 required 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 estimates the variable consideration related to these price adjustments as part of the total transaction price and recognizes revenue in accordance with the pattern applicable to the performance obligation, subject to a constraint. The Company constrains the amount of revenues recognized for these contractual provisions based on its best estimate of the amount which will not result in a significant reversal of revenue in a future period. The Company determines the amounts to be recognized based on the amount of potential refunds required by the contract, 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 for future purchases, issuance of a payment to the customer, or issuance of a credit note applied against the customer's accounts receivable balance. In many instances, the agreement is 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.

Performance Obligations

The Company derives its revenues primarily from manufacturing services, and to a lesser extent, from innovative design, engineering, and supply chain services and solutions.

A performance obligation is an implicitly or explicitly promised good or service that is material in the context of the contract and is both capable of being distinct (customer can benefit from the good or service on its own or together with other readily available resources) and distinct within the context of the contract (separately identifiable from other promises). The Company considers all activities typically included in its contracts, and identifies those activities representing a promise to transfer goods or services to a customer. These include, but are not limited to, design and engineering services, prototype products, tooling, etc. Each promised good or service with regards to these identified activities is accounted for as a separate performance obligation only if it is distinct—i.e., the customer can benefit from it on its own or together with other resources that are readily available to the customer. Certain activities on the other hand are determined not to constitute a promise to transfer goods or service, and therefore do not represent separate performance obligations for revenue recognition (e.g., procurement of materials and standard workmanship warranty).

3. REVENUE (Continued)

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The majority of the Company's contracts have a single performance obligation as the promise to transfer the individual good or service is not separately identifiable from other promises in the contract and is, therefore, not distinct. Promised goods or services that are immaterial in the context of the contract are not separately assessed as performance obligations. In the event that more than one performance obligation is identified in a contract, the Company is required to allocate the transaction price between the performance obligations. The allocation would generally be performed on the basis of a relative standalone price for each distinct good or service. This standalone price most often represents the price that the Company would sell similar goods or services separately.

Contract Balances

A contract asset is recognized when the Company has recognized revenue, but not issued an invoice for payment. Contract assets are classified separately on the consolidated balance sheets and transferred to receivables when rights to payment become unconditional. The following table summarizes the activity in the Company's contract assets during the fiscal year ended March 31, 2019 (in thousands):

	Contract Assets
Beginning balance, April 1, 2018	$ —
Cumulative effect adjustment at April 1, 2018	451,287
Revenue recognized	7,169,638
Amounts collected or invoiced	(7,404,723)
Ending balance, March 31, 2019	$ 216,202

A contract liability, or deferred revenue is recognized when the Company receives payments in advance of the satisfaction of performance and is included in other current liabilities on the consolidated balance sheets. Contract liabilities were $271.8 million and $265.3 million as of March 31, 2019 and April 1, 2018, respectively.

Disaggregation of Revenue

The following table presents the Company's revenue disaggregated based on timing of transfer—point in time and over time for the fiscal year ended March 31, 2019:

	Fiscal Year Ended March 31, 2019				
	HRS	IEI	CEC	CTG	Total
	(In thousands)				
Timing of Transfer					
Point in time	$3,773,735	$4,395,773	$6,126,454	$4,744,911	$19,040,873
Over time	1,055,215	1,786,864	2,209,876	2,117,683	7,169,638
Total segment	$4,828,950	$6,182,637	$8,336,330	$6,862,594	$26,210,511

4. SHARE-BASED COMPENSATION

Equity Compensation Plans

The Company's primary plan used for granting equity compensation awards is the 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 former 2010 Equity Incentive Plan.

The Company assumed all of the outstanding and unvested restricted shares and options associated with a couple acquisitions and converted all of these shares into Flex awards. As a result,

4. SHARE-BASED COMPENSATION (Continued)

the Company maintains two additional equity compensation plans that are immaterial to the Company for all periods presented. No share options or restricted share unit awards were granted under these plans during fiscal year 2019, nor were there any shares available for grant under these plans as of March 31, 2019.

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,		
	2019	2018	2017
		(In thousands)	
Cost of sales	$19,554	$19,102	$10,023
Selling, general and administrative expenses	56,478	66,142	72,243
Total share-based compensation expense	$76,032	$85,244	$82,266

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 2019, 2018 and 2017, the Company did not recognize any excess tax benefits as an operating cash inflow.

As of March 31, 2019, the Company had approximately 16.1 million shares available for grant under the 2017 Plan. Options issued to employees under this plan generally vest over four years and expire ten years from the date of grant. Options granted to non-employee directors generally 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, 2019, the total unrecognized compensation cost related to unvested share options granted to employees under all plans was not material and will be amortized on a straight-line basis over a weighted-average period of approximately 1.8 years.

The Company also grants restricted share unit awards under its 2017 Plan. Restricted share unit awards are rights to acquire a specified number of ordinary shares for no cash consideration in exchange for continued service with the Company. Restricted share unit awards generally vest in installments over a three to five-year period and unvested restricted share unit awards are forfeited upon termination of employment.

Vesting for certain restricted share unit awards is contingent upon both service and market conditions. Further, vesting for certain restricted share unit awards granted to certain executive officers is contingent upon meeting certain free cash flow targets.

As of March 31, 2019, the total unrecognized compensation cost related to unvested restricted share unit awards under all plans was approximately $132.9 million. These costs will be amortized generally on a straight-line basis over a weighted-average period of approximately 2.4 years. Approximately $14.2 million of the total unrecognized compensation cost is related to restricted share unit 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 restricted share unit awards

Valuation and Amortization Method—The Company estimates the fair value of share options granted under the 2017 Plan 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 restricted share unit 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 Plan during fiscal years 2019, 2018, and 2017.

Determining Fair Value—Restricted share unit awards with service and market conditions

Valuation and Amortization Method—The Company estimates the fair value of restricted share unit awards granted under the 2017 Plan 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 restricted share unit awards granted. The service period is three years for those restricted share unit awards granted in fiscal years 2019, 2018, and 2017.

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 restricted share unit awards granted in fiscal years 2019, 2018, and 2017.

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 restricted share unit awards granted in fiscal years 2019, 2018, and 2017.

Expected Dividend and Risk-Free Interest Rate assumptions—Same methodology as discussed above.

4. SHARE-BASED COMPENSATION (Continued)

The fair value of the Company's restricted share unit awards under the 2017 Plan, whereby vesting is contingent on meeting certain market conditions, for fiscal years 2019, 2018, and 2017 was estimated using the following weighted-average assumptions:

	Fiscal Year Ended March 31,		
	2019	2018	2017
Expected volatility	27.4%	25.1%	25.8%
Average peer volatility	25.6%	28.7%	25.1%
Average peer correlation	0.5	0.6	0.6
Expected dividends	0.0%	0.0%	0.0%
Risk-free interest rate	2.7%	1.5%	0.9%

Share-Based Awards Activity

The following is a summary of option activity for all plans ("Price" reflects the weighted-average exercise price):

	Fiscal Year Ended March 31,					
	2019		2018		2017	
	Options	Price	Options	Price	Options	Price
Outstanding, beginning of fiscal year	1,189,550	$3.28	1,937,400	$3.75	5,111,490	$5.70
Granted	—	—	288,386	0.54	159,057	0.51
Exercised	(244,393)	1.00	(667,184)	4.15	(2,283,201)	5.44
Forfeited	(71,927)	3.37	(369,052)	5.75	(1,049,946)	9.47
Outstanding, end of fiscal year	873,230	$3.93	1,189,550	$3.28	1,937,400	$3.75
Options exercisable, end of fiscal year	546,339	$5.34	373,950	$4.99	507,965	$6.08

The aggregate intrinsic value of options exercised under all plans (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 $2.4 million, $8.9 million and $17.3 million during fiscal years 2019, 2018 and 2017, respectively.

Cash received from option exercises under all plans was immaterial for fiscal year 2019. Cash received from option exercises under all plans was $2.8 million and $12.4 million for fiscal years 2018 and 2017, respectively.

As of March 31, 2019 the aggregate intrinsic value for options outstanding, options vested and expected to vest, and options exercisable under all 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, 2019 for the immaterial amount of options that were in-the-money at March 31, 2019.

4. SHARE-BASED COMPENSATION (Continued)

The following table summarizes the Company's restricted share unit award activity under all plans ("Price" reflects the weighted-average grant-date fair value):

	Fiscal Year Ended March 31,					
	2019		2018		2017	
	Shares	Price	Shares	Price	Shares	Price
Unvested restricted share unit awards outstanding, beginning of fiscal year	14,619,692	$14.39	17,242,019	$12.24	19,309,172	$10.71
Granted(1)	8,257,502	12.59	6,680,739	16.97	8,261,666	13.46
Vested(1)	(5,952,039)	13.12	(6,945,393)	11.86	(9,311,984)	9.50
Forfeited	(2,021,269)	14.51	(2,357,673)	12.20	(1,016,835)	11.15
Unvested restricted share unit awards outstanding, end of fiscal year	14,903,886	$13.76	14,619,692	$14.39	17,242,019	$12.24

(1) Included in the fiscal years 2018 and 2017 amounts are 0.7 million and 1.7 million of restricted share unit 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 8.3 million unvested restricted share unit awards granted in fiscal year 2019, approximately 6.5 million are plain-vanilla unvested restricted share unit awards with no performance or market conditions with an average grant date price of $12.57 per share. Further, approximately 1.3 million of these unvested restricted share unit awards granted in fiscal year 2019 represents the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions, with an average grant date fair value estimated to be $14.00 per award calculated using a Monte Carlo simulation. Vesting information for these shares is further detailed in the table below.

Of the 14.9 million unvested restricted share unit awards outstanding under all plans as of the fiscal year ended March 31, 2019, approximately 2.5 million unvested restricted share unit awards represent 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, 2019 (in shares)	Average grant date fair value (per share)	Range of shares that may be issued(1) Minimum	Maximum	Assessment dates
Fiscal 2019	1,316,279	$14.00	—	2,632,558	June 2021
Fiscal 2018	586,077	$20.25	—	1,172,154	June 2020
Fiscal 2017	619,574	$17.57	—	1,239,148	June 2019
Totals	2,521,930		—	5,043,860	

(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 continue to recognize share-based compensation expense for awards with market conditions regardless of whether such awards will ultimately vest. During fiscal year 2019, 0.6 million shares vested in connection with the restricted share unit awards with market conditions granted in fiscal year 2016.

The total intrinsic value of restricted share unit awards vested under all the Company's plans was $80.2 million, $116.4 million and $119.1 million during fiscal years 2019, 2018 and 2017, respectively, based on the closing price of the Company's ordinary shares on the date vested.

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 restricted share unit awards. The potential dilution from stock options exercisable into ordinary share equivalents and restricted share unit 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,		
	2019	2018	2017
	(In thousands, except per share amounts)		
Basic earnings per share:			
Net income	$ 93,399	$428,534	$319,564
Shares used in computation:			
Weighted-average ordinary shares outstanding	526,519	529,782	540,503
Basic earnings per share	$ 0.18	$ 0.81	$ 0.59
Diluted earnings per share:			
Net income	$ 93,399	$428,534	$319,564
Shares used in computation:			
Weighted-average ordinary shares outstanding	526,519	529,782	540,503
Weighted-average ordinary share equivalents from stock options and restricted share unit awards(1)(2)	3,551	6,816	5,717
Weighted-average ordinary shares and ordinary share equivalents outstanding	530,070	536,598	546,220
Diluted earnings per share	$ 0.18	$ 0.80	$ 0.59

(1) An immaterial amount of options to purchase ordinary shares during fiscal years 2019 and 2018 were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average ordinary shares equivalents. Options to purchase ordinary shares of 0.5 million during fiscal year 2017 were excluded from the computation of diluted earnings per share.

(2) Restricted share unit awards of 6.8 million during fiscal year 2019 were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average ordinary shares equivalents. Less than 0.1 million of anti-dilutive restricted share unit awards were excluded from the computation of diluted earnings per share during fiscal years 2018 and 2017, respectively.

6. SUPPLEMENTAL CASH FLOW DISCLOSURES

The following table represents supplemental cash flow disclosures and non-cash investing and financing activities:

	Fiscal Year Ended March 31,		
	2019	2018	2017
	(In thousands)		
Net cash paid for:			
Interest	$190,204	$152,750	$127,346
Income taxes	134,178	91,846	86,651
Non-cash investing and financing activity:			
Unpaid purchases of property and equipment	111,989	128,044	84,375
Customer-related third party banking institution equipment financing net settlement	—	—	90,576
Non-cash investment in Elementum (Note 2)	—	132,679	—
Non-cash proceeds from sales of Wink (Note 2)	—	59,000	—
Non-cash investment in Bright Machines (Note 2)	127,641	—	—
Capital lease for Bright Machines assets (Note 2)	34,828	—	—

7. BANK BORROWINGS AND LONG-TERM DEBT

Bank borrowings and long-term debt are as follows:

	As of March 31,	
	2019	2018
	(In thousands)	
4.625% Notes due February 2020	$ 500,000	$ 500,000
Term Loan, including current portion, due in installments through November 2021	671,563	687,813
Term Loan, including current portion, due in installments through June 2022	458,531	483,656
5.000% Notes due February 2023	500,000	500,000
4.750% Notes due June 2025	596,815	596,387
India Facilities(1)	170,206	—
Other	168,039	186,601
Debt issuance costs	(10,639)	(13,815)
	3,054,515	2,940,642
Current portion, net of debt issuance costs	(632,611)	(43,011)
Non-current portion	$2,421,904	$2,897,631

(1) India Facilities as of March 31, 2019 include approximately $91.4 million drawdown of short-term bank borrowings facility entered in February 2019 and $78.8 million drawdown from the $200 million term loan facility entered in July 2018.

The weighted-average interest rates for the Company's long-term debt were 4.2% and 3.9% as of March 31, 2019 and 2018, respectively.

7. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

Scheduled repayments of the Company's long-term debt are as follows:

Fiscal Year Ending March 31,	Amount
	(In thousands)
2020	$ 634,321
2021	111,558
2022	801,836
2023	857,571
2024	60,423
Thereafter	599,445
Total	$3,065,154

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, 2019, 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.

7. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

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 coverage ratio during the term of the 2022 Credit Facility. As of March 31, 2019, 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 million of 4.625% Notes due February 15, 2020 and $500 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.

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.

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

7. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

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, 2019, the note due February 2020 has been included in current liabilities on the consolidated balance sheet, and the Company was in compliance with the covenants in the indenture governing the Notes as of March 31, 2019.

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.

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.

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

7. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

may be rescinded and annulled by the holders of a majority in principal amount of the 2025 Notes. As of March 31, 2019, the Company was in compliance with the covenants in the indenture governing the 2025 Notes.

Other Credit Lines

In February 2019, a subsidiary of the Company entered into a $100 million uncommitted credit import advance facility (the “Advance Facility”), under which there was $91.4 million advances outstanding as of March 31, 2019. The Advance Facility will be used to assist the Company in the import of goods into India. Advances under this facility are repayable at any time, and bear interest at LIBOR plus a margin of 0.70%. The Company anticipates repaying the facility in fiscal year 2020.

In July 2018, a subsidiary of the Company entered into a $200 million term loan facility (the “Facility”), under which there was $78.8 million in borrowings outstanding as of March 31, 2019. The Facility will be used to fund capital expenditure to support the Company’s expansion plan for India. The availability period during which drawdowns can be made will be from the date of the agreement to and including June 30, 2019. The maximum maturity of each drawdown will be 5 years from the funded Capex shipment date. As a result, the longest maturity date of any future drawdown under the Facility will be June 30, 2024. Borrowings under this term loan bear interest at LIBOR plus a margin of 0.90% to 1.15% depending on loan duration.

In January 2017, the Company borrowed €100 million (approximately $112.5 million as of March 31, 2019), 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 $56.3 million as of March 31, 2019), under a 5-year, term-loan agreement due September 30, 2020. Borrowings under this term loan bear interest at EURIBOR plus the applicaeble 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 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, 2019, the Company was in compliance with the covenants under these term loan agreements.

As of March 31, 2019, the Company and certain of its subsidiaries had various uncommitted revolving credit facilities, lines of credit and other credit facilities in the amount of $332.2 million in the aggregate. There were no borrowings outstanding under these facilities as of March 31, 2019 and 2018. 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.

Term Loan due April 26, 2024

In April 2019, the Company entered into a JPY 33.525 billion term loan agreement (approximately $300 million) due April 2024, which was then swapped to U.S. dollars. The term loan will be used to fund general operations and refinance certain other outstanding debt. Borrowings under this term loan

7. BANK BORROWINGS AND LONG-TERM DEBT (Continued)

bear interest, at LIBOR plus the applicable margin of 1.21%. 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.

8. 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, 2019, the aggregate notional amount of the Company's outstanding foreign currency derivative contracts was $7.8 billion as summarized below:

	Foreign Currency Amount		Notional Contract Value in USD	
Currency	Buy	Sell	Buy	Sell
	(In thousands)			
Cash Flow Hedges				
CNY	2,207,000	—	$ 328,349	$ —
EUR	48,763	700	55,445	788
HUF	34,401,000	—	120,981	—
ILS	181,000	—	49,833	—
MXN	4,123,000	—	212,987	—
MYR	286,100	30,200	70,276	7,418
PLN	144,500	—	37,841	—
RON	247,000	—	58,365	—
SGD	42,500	—	31,354	—
Other	N/A	N/A	17,853	7,089
			983,284	15,295

8. FINANCIAL INSTRUMENTS (Continued)

Currency	Foreign Currency Amount		Notional Contract Value in USD	
	Buy	Sell	Buy	Sell
	(In thousands)			
Other Foreign Currency Contracts				
BRL	—	972,000	$ —	$ 246,092
CAD	74,484	132,895	55,511	99,042
CNY	3,132,409	458,795	466,085	68,230
EUR	1,793,103	2,043,034	2,019,883	2,303,762
GBP	39,047	30,869	51,590	40,857
HUF	52,526,969	54,425,127	184,727	191,402
ILS	160,775	77,600	44,265	21,365
INR	3,921,500	10,356,508	56,930	150,312
MXN	2,969,832	2,078,128	153,416	107,352
MYR	455,920	255,210	111,989	62,688
SEK	706,435	755,275	76,470	81,479
SGD	83,800	50,280	61,822	37,093
Other	N/A	N/A	77,860	57,612
			3,360,548	3,467,286
Total Notional Contract Value in USD			$4,343,832	$3,482,581

As of March 31, 2019 and 2018, 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, 2019 and 2018, 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 losses totaled $0.2 million as of March 31, 2019, 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, 2019 and 2018:

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	March 31, 2019	March 31, 2018	Balance Sheet Location	March 31, 2019	March 31, 2018
	(In thousands)					
Derivatives designated as hedging instruments						
Foreign currency contracts	Other current assets	$10,503	$19,422	Other current liabilities	$10,282	$ 7,065

8. FINANCIAL INSTRUMENTS (Continued)

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	March 31, 2019	March 31, 2018	Balance Sheet Location	March 31, 2019	March 31, 2018
	(In thousands)					
Derivatives not designated as hedging instruments						
Foreign currency contracts	Other current assets	$16,774	$23,912	Other current liabilities	$17,144	$18,246

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.

9. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component, net of tax, during fiscal years ended March 31, 2019, 2018 and 2017 are as follows:

	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)		
Beginning balance on April 1, 2016	$(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 on March 31, 2017	$(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 on March 31, 2018	$(35,746)	$ (50,099)	$ (85,845)
Other comprehensive loss before reclassifications	(48,302)	(59,508)	(107,810)
Net losses reclassified from accumulated other comprehensive loss	42,492	—	42,492
Net current-period other comprehensive loss	(5,810)	(59,508)	(65,318)
Ending balance on March 31, 2019	$(41,556)	$(109,607)	$(151,163)

Net losses reclassified from accumulated other comprehensive loss during fiscal year 2019 relating to derivative instruments and other includes $40.6 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.

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9. ACCUMULATED OTHER COMPREHENSIVE LOSS (Continued)

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.

10. 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. 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, which are included in other current assets as of March 31, 2019 and March 31, 2018, 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 and were immaterial for all periods presented.

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 $900 million for the Global Program, of which $725 million is committed and $175 million is uncommitted, and $250 million for the North American Program, of which $210 million is committed and $40 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, 2019, 2018 and 2017 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.

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

10. TRADE RECEIVABLES SECURITIZATION (Continued)

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, 2019 and 2018, 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, 2019, 2018 and 2017 were included as cash provided by operating activities in the consolidated statements of cash flows. The Company recognizes these proceeds net of the deferred purchase price, consisting of a receivable from the purchasers that entitles the Company to certain collections on the receivable. The Company recognizes the collection of the deferred purchase price in net cash provided by investing activities in the consolidated statements of cash flows separately as cash collections of deferred purchase price.

As of March 31, 2019, approximately $1.2 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 $0.9 billion and deferred purchase price receivables of $0.3 billion. As of March 31, 2018, 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 $1.1 billion and deferred purchase price receivables of $0.4 billion. The deferred purchase price balances as of March 31, 2019 and March 31, 2018, also represent the non-cash beneficial interest obtained in exchange for securitized receivables.

For the fiscal years ended March 31, 2019, 2018 and 2017, cash flows from sales of receivables under the ABS Programs consisted of approximately $6.8 billion, $8.0 billion and $7.6 billion, respectively, for transfers of receivables, and approximately $3.6 billion, $4.6 billion and $5.0 billion, respectively, for collections on deferred purchase price receivables. The Company's cash flows from transfer of receivables consist primarily of proceeds from collections reinvested in revolving-period transfers. Cash flows from new transfers 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 $0.5 billion and $0.3 billion as of March 31, 2019 and 2018, respectively. For the years ended March 31, 2019, 2018 and 2017, total accounts receivables sold to certain third party banking institutions was approximately $2.7 billion, $1.5 billion and $1.3 billion, respectively. The receivables that were sold were removed from the consolidated balance sheets and the cash received is reflected as cash provided by operating activities in the consolidated statements of cash flows.

11. 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.

11. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES (Continued)

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. There were no contingent consideration liabilities outstanding as of March 31, 2019 and 2018.

There were no transfers between levels in the fair value hierarchy during fiscal years 2019 and 2018.

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, 2019 and 2018:

	Fair Value Measurements as of March 31, 2019			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (Note 2)	$ —	$473,888	$—	$473,888
Foreign exchange forward contracts (Note 8)	—	27,277	—	27,277
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	2,845	76,852	—	79,697
Liabilities:				
Foreign exchange forward contracts (Note 8)	$ —	$ (27,426)	$—	$ (27,426)

11. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES (Continued)

	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 8)	—	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 8)	$ —	$ (25,311)	$—	$ (25,311)

Other financial instruments

The following table presents the Company's liabilities not carried at fair value as of March 31, 2019 and 2018:

	As of March 31, 2019		As of March 31, 2018		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
	(In thousands)		(In thousands)		
4.625% Notes due February 2020	$ 500,000	$ 499,950	$ 500,000	$ 513,596	Level 1
Term Loan, including current portion, due in installments through November 2021	671,563	670,724	687,813	689,966	Level 1
Term Loan, including current portion, due in installments through June 2022	458,531	457,958	483,656	485,470	Level 1
5.000% Notes due February 2023	500,000	499,950	500,000	525,292	Level 1
4.750% Notes due June 2025	596,815	599,940	596,387	627,407	Level 1
Euro Term Loan due September 2020	52,746	52,746	59,443	59,443	Level 2
Euro Term Loan due January 2022	112,524	112,524	123,518	123,518	Level 2
India Facilities	170,206	170,206	—	—	Level 2
Total	$3,062,385	$3,063,998	$2,950,817	$3,024,692	

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, and India Facilities based on the current market rate, and as of March 31, 2019, the carrying amounts approximate fair values.

12. COMMITMENTS AND CONTINGENCIES

Commitments

As of March 31, 2019 and 2018, 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

12. COMMITMENTS AND CONTINGENCIES (Continued)

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)
2020	$155,391
2021	113,245
2022	93,777
2023	81,335
2024	67,341
Thereafter	171,828
Total minimum lease payments	$682,917

Total rent expense amounted to $176.8 million, $140.3 million and $124.7 million in fiscal years 2019, 2018 and 2017, 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 amounts accrued are not 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 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 conducts 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 the Company's 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

12. COMMITMENTS AND CONTINGENCIES (Continued)

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 its patent license agreement with the Company, and requesting information relating to royalties for products that the Company assembles for a customer in China. The Company and licensor have had subsequent discussions, during which the licensor claimed that the Company owes a material amount under the patent license agreement, which the Company disputes and would contest vigorously. While the Company cannot predict the outcome with respect to this claim or estimate an amount or reasonable range of loss, a material loss is reasonably possible.

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. On October 1, 2018, the Court appointed lead plaintiff and lead plaintiff's counsel in the case. On November 28, 2018, lead plaintiff filed an amended complaint alleging misstatements and/or omissions in certain of the Company's SEC filings, press releases, earnings calls, and analyst and investor conferences and expanding the putative class period through October 25, 2018. On April 3, 2019, the Court vacated its prior order appointing lead plaintiff and lead plaintiff's counsel and reopened the lead plaintiff appointment process. Motions for appointment as lead plaintiff are due June 4, 2019. Defendants' deadline to move to dismiss is vacated until after the lead plaintiff appointment process is complete and an operative complaint is designated. In addition, the Court has set a case management conference for July 17, 2019. The Company believes that the claims are without merit and intends to vigorously defend this case.

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 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 359.9 million Brazilian reals (approximately USD $91.1 million based on the exchange rate as of March 31, 2019). 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

12. COMMITMENTS AND CONTINGENCIES (Continued)

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.

On February 14, 2019, the Company submitted an initial notification of voluntary disclosure to the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") regarding possible noncompliance with U.S. economic sanctions requirements among certain non-U.S. Flex-affiliated operations. The Company has initiated an internal investigation regarding this matter. The matter is at a very preliminary stage. The Company cannot predict how long it will take to complete the investigation or to what extent the Company could be subject to penalties.

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.

13. INCOME TAXES

The domestic (Singapore) and foreign components of income before income taxes were comprised of the following:

	Fiscal Year Ended March 31,		
	2019	2018	2017
		(In thousands)	
Domestic	$ (10,498)	$323,522	$435,709
Foreign	192,624	197,371	(64,861)
Total	$182,126	$520,893	$370,848

The provision for income taxes consisted of the following:

	Fiscal Year Ended March 31,		
	2019	2018	2017
		(In thousands)	
Current:			
Domestic	$ 1,517	$ 2,894	$ 1,037
Foreign	99,894	50,889	71,773
	101,411	53,783	72,810
Deferred:			
Domestic	(40)	422	350
Foreign	(12,644)	38,154	(21,876)
	(12,684)	38,576	(21,526)
Provision for income taxes	$ 88,727	$92,359	$ 51,284

13. INCOME TAXES (Continued)

The domestic statutory income tax rate was approximately 17.0% in fiscal years 2019, 2018 and 2017. 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,		
	2019	2018	2017
		(In thousands)	
Income taxes based on domestic statutory rates	$ 30,961	$ 88,552	$ 63,044
Effect of tax rate differential	(135,033)	(244,128)	(85,132)
Change in liability for uncertain tax positions	(15,381)	22,180	684
Change in valuation allowance	191,896	297,330	78,728
Recognition of prior year taxes recoverable	5,439	(53,757)	—
Expiration of tax attributes	4,277	—	—
Other	6,568	(17,818)	(6,040)
Provision for income taxes	$ 88,727	$ 92,359	$ 51,284

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, 2019, 2018 and 2017 was $24.4 million, $21.7 million and $15.5 million, respectively. For the fiscal year ended March 31, 2019, the effect on basic and diluted earnings per share was $0.05 and $0.05, respectively, and the effect on basic and diluted earnings per share during fiscal years 2018 and 2017 were $0.04 and $0.04, and $0.03 and $0.03, respectively. Unless extended or otherwise renegotiated, the Company's existing holidays will expire in various years through the end of fiscal year 2028.

The Company provides a valuation allowance against deferred tax assets that in the Company's estimation are not more likely than not to be realized. During fiscal year 2019, 2018 and 2017, the Company released valuation allowances totaling $2.8 million, $1.3 million and $39.6 million, respectively. For fiscal year 2019, this valuation allowance release was related to the Company's operations in Poland as this amount was 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 that subsidiary. Various other valuation allowance positions were also reduced due to varying factors such as recognition of uncertain tax positions impacting deferred tax assets, one-time income recognition in loss entities, and foreign exchange impacts on deferred tax balances. Lastly, these valuation allowance reductions and eliminations were offset 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 ended March 31, 2019, 2018 and 2017, the offsetting amounts totaled $194.8 million, ($65.9) million and $103.9 million, respectively.

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 ended March 31, 2019, 2018 and 2017 were $7.5 million, $65.8 million and $67.9 million, respectively.

13. INCOME TAXES (Continued)

The components of deferred income taxes are as follows:

	As of March 31,	
	2019	2018
	(In thousands)	
Deferred tax liabilities:		
Fixed assets	$ (39,376)	$ (33,056)
Intangible assets	(57,939)	(80,565)
Others	(14,879)	(12,544)
Total deferred tax liabilities	(112,194)	(126,165)
Deferred tax assets:		
Fixed assets	67,980	65,155
Intangible assets	7,442	11,237
Deferred compensation	13,864	13,475
Inventory valuation	11,082	6,952
Provision for doubtful accounts	4,797	3,073
Net operating loss and other carryforwards	1,944,782	2,133,097
Others	243,016	236,916
Total deferred tax assets	2,292,963	2,469,905
Valuation allowances	(2,083,082)	(2,259,956)
Total deferred tax assets, net of valuation allowances	209,881	209,949
Net deferred tax asset	$ 97,687	$ 83,784
The net deferred tax asset is classified as follows:		
Long-term asset	$ 164,611	$ 165,319
Long-term liability	(66,924)	(81,535)
Total	$ 97,687	$ 83,784

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.

The Company has recorded deferred tax assets of approximately $2.0 billion related to tax losses and other carryforwards against which the Company has recorded a valuation allowance for all but

13. INCOME TAXES (Continued)

$54.7 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)
2020 - 2025	$ 606,378
2026 - 2031	444,040
2032 and post	295,361
Indefinite	691,313
	$2,037,092

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. The estimated amount of the unrecognized deferred tax liability on these undistributed earnings is approximately $150 million. As of March 31, 2019, the Company has provided for earnings in foreign subsidiaries that are not considered to be indefinitely reinvested and therefore subject to withholding taxes on $32.8 million of undistributed foreign earnings, recording a deferred tax liability of approximately $2.0 million thereon.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Fiscal Year Ended March 31,	
	2019	2018
	(In thousands)	
Balance, beginning of fiscal year	$227,590	$203,323
Additions based on tax position related to the current year	82,966	24,415
Additions for tax positions of prior years	5,575	5,926
Reductions for tax positions of prior years	(15,432)	(11,936)
Reductions related to lapse of applicable statute of limitations	(14,786)	(9,029)
Settlements	(22,174)	—
Impact from foreign exchange rates fluctuation	(12,017)	14,891
Balance, end of fiscal year	$251,722	$227,590

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 approximately $20 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 the world. With few exceptions, the Company is no longer subject to income tax examinations by tax authorities for years before 2008.

Of the $251.7 million of unrecognized tax benefits at March 31, 2019, $166.8 million will affect the annual effective tax rate (ETR) if the benefits are eventually recognized. The amount that doesn't

13. INCOME TAXES (Continued)

impact the ETR relates to positions that would be settled with a tax loss carryforward previously subject to a valuation allowance.

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, 2019, 2018 and 2017, the Company recognized interest and penalty of approximately ($2.9) million and ($3.3) million and ($1.6) million, respectively. The Company had approximately $13.3 million, $16.2 million and $12.9 million accrued for the payment of interest and penalties as of the fiscal years ended March 31, 2019, 2018 and 2017, respectively.

14. RESTRUCTURING CHARGES

Fiscal Year 2019

During fiscal year 2019, the Company took targeted actions to optimize its portfolio, most notably within CTG. The Company recognized restructuring charges of approximately $113.3 million during the fiscal year ended March 31, 2019, of which $73.2 million were non-cash charges primarily for asset impairments. A significant component of its charges were associated with the wind down of its NIKE operations in Mexico in the third quarter of fiscal year 2019 where it recognized charges of $66 million primarily for non-cash asset impairments.

In addition, the Company executed targeted head-count reductions at existing operating and design sites and corporate functions and exited certain immaterial businesses. Of these total restructuring charges, approximately $99.0 million was recognized as a component of cost of sales during the fiscal year ended March 31, 2019.

Restructuring charges are not included in segment income, as disclosed further in note 19.

Fiscal Year 2018

During fiscal year 2018, the Company initiated targeted restructuring activities focused on optimizing the Company's 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 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. A majority of the fiscal year 2018 restructuring activities were completed as of March 31, 2018.

Fiscal Year 2017

During fiscal year 2017, the Company initiated a restructuring plan to accelerate its ability to support more *Sketch-to-Scale*® 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. All fiscal year 2017 restructuring activities were completed as of March 31, 2017.

14. RESTRUCTURING CHARGES (Continued)

The following table summarizes the provisions, respective payments, and remaining accrued balance as of March 31, 2019 for charges incurred in fiscal years 2019, 2018 and 2017 and prior periods:

	Severance	Long-Lived Asset Impairment	Other Exit Costs	Total
		(In thousands)		
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
Provision for charges incurred in fiscal year 2019	38,634	46,365	28,314	113,313
Cash payments for charges incurred in fiscal year 2018 and prior	(40,623)	—	(4,293)	(44,916)
Cash payments for charges incurred in fiscal year 2019	(22,783)	—	(1,330)	(24,113)
Non-cash charges incurred in fiscal year 2019	—	(46,365)	(26,829)	(73,194)
Balance as of March 31, 2019	23,234	—	9,200	32,434
Less: Current portion (classified as other current liabilities)	23,234	—	9,200	32,434
Accrued restructuring costs, net of current portion (classified as other liabilities)	$ —	$ —	$ —	$ —

15. OTHER CHARGES (INCOME), NET

Other charges (income), net for the fiscal years ended March 31, 2019, 2018 and 2017 are primarily composed of the following:

	Fiscal Year Ended March 31		
	2019	2018	2017
		(In thousands)	
Gain on deconsolidation of subsidiary(1)	$ (87,348)	$(151,574)	$ —
(Gain) loss on sale of non-strategic business(2)	—	(38,689)	7,400
Investment impairments and dispositions(3)	193,063	21,895	—

(1) During fiscal year ended March 31, 2019 the Company recognized other income of approximately $87 million from the deconsolidation of Bright Machines (formally known as AutoLab AI). The fiscal year ended March 31, 2018 includes a $151.6 million gain from the deconsolidation of Elementum. See note 2 for additional information on the deconsolidation of Bright Machines and Elementum.

15. OTHER CHARGES (INCOME), NET (Continued)

(2) The Company recognized other income of $38.7 million from the sale of Wink during fiscal year 2018. See note 2 for additional information on the sale of Wink. Fiscal year 2017 includes a $7.4 million loss attributable to a non-strategic facility sold during the second quarter of that year.

(3) During fiscal year ended March 31, 2019 the Company recognized investment impairments of $193.1 million, under other charges, which is primarily driven by an $84 million impairment in its investment in Elementum, coupled with a $76 million loss for the portion of its investment in an unrelated third-party venture backed company, also determined to be impaired. See note 2 for additional information on the impairments. The Company recognized $21.9 million of impairment during fiscal year 2018 for certain non-core investments.

16. INTEREST AND OTHER, NET

Interest and other, net for the fiscal years ended March 31, 2019, 2018 and 2017 are primarily composed of the following:

	Fiscal Year Ended March 31		
	2019	2018	2017
		(In thousands)	
Interest expenses on debt obligations	$145,658	$123,098	$107,978
ABS and AR sales programs related expenses	46,344	25,002	15,252
Interest income	(19,496)	(18,840)	(12,084)
Gain on foreign exchange transactions	(1,175)	(15,222)	(16,528)

17. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES

Fiscal 2019 Business acquisition

In October 2018, the Company completed the acquisition of a business that was not significant to the consolidated financial position, result of operations and cash flows of the Company. The acquired business expanded the Company's design capabilities in the telecom market within the CEC segment. The assets acquired and liabilities assumed were not material to the Company's consolidated financial results. Results of operations were included in the Company's consolidated financial results beginning on the date of acquisition, and were not material to the Company's consolidated financial results for all periods presented.

Fiscal 2019 Divestitures

During the third quarter of fiscal year 2019, the Company disposed of an immaterial non-strategic business in Brazil that operated across all of its segments. The net loss on disposition was not material to the Company's consolidated financial results, and was included in other charges (income), net in the consolidated statement of operation for the fiscal year 2019.

During the second quarter of fiscal year 2019, the Company divested its China-based Multek operations, for proceeds of approximately $267.1 million, net of cash. The Company transferred approximately $231.4 million of net assets, primarily property and equipment, accounts receivable, and accounts payable. Further, the Company incurred various selling costs as part of this divestiture and allocated approximately $19.0 million of goodwill to the divested business. This transaction resulted in the recognition of an immaterial loss which is included in other charges (income), net in the consolidated statements of operations for the fiscal year 2019.

Pro-forma results of operations for these divestitures have not been presented because the effects were not individually, nor in the aggregate, material to the Company's consolidated financial results for all periods presented.

17. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES (Continued)

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.

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.

17. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES (Continued)

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 consolidated statements of operations for the fiscal year 2017.

18. SHARE REPURCHASE PLAN

During fiscal year 2019, the Company repurchased approximately 17.7 million shares for an aggregate purchase value of approximately $189.0 million and 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 16, 2018. As of March 31, 2019, shares in the aggregate amount of $324.5 million were available to be repurchased under the current plan.

19. 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 certain direct staff who oversee operations of the business, collectively identified as the CODM or the decision making group.

During the fourth quarter of fiscal year 2019, the Company announced that Revathi Advaithi was appointed CEO of the Company effective February 11, 2019. As part of her new role and responsibilities, the CEO along with certain direct report that oversee operations of the business, are now considered the CODM. There is a possibility that the CODM will request some changes in the information that it regularly reviews in determining how to allocate resources and in assessing performance, which could eventually result in changes to the Company's reportable segments.

The Company has four reportable segments: HRS, IEI, CEC and CTG. 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.

19. SEGMENT REPORTING (Continued)

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, customer related assets impairments, restructuring charges, the new revenue standard adoption impact, contingencies and other, interest and other, net and other charges (income), net.

Selected financial information by segment is in the table below. For fiscal year 2019, the Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings, as further described in note 2 to the consolidated financial statements. The comparative information for the fiscal years 2018 and 2017 has not been restated and continues to be reported under the accounting standards in effect at the time:

	Fiscal Year Ended March 31,		
	2019	2018	2017
		(In thousands)	
Net sales:			
High Reliability Solutions	$ 4,828,950	$ 4,769,464	$ 4,149,438
Industrial & Emerging Industries	6,182,637	5,972,496	4,967,738
Communications & Enterprise Compute	8,336,330	7,729,350	8,383,420
Consumer Technologies Group	6,862,594	6,969,821	6,362,338
	$26,210,511	$25,441,131	$23,862,934
Segment income and reconciliation of income before tax:			
High Reliability Solutions	$ 371,003	$ 380,878	$ 334,108
Industrial & Emerging Industries	269,172	235,422	179,749
Communications & Enterprise Compute	214,723	186,335	229,332
Consumer Technologies Group	121,336	111,629	179,910
Corporate and Other	(104,471)	(127,810)	(107,850)
Total income	871,763	786,454	815,249
Reconciling items:			
Intangible amortization	74,396	78,640	81,396
Stock-based compensation	76,032	85,244	82,266
Customer related asset impairments(1)	87,093	6,251	92,915
Restructuring charges (Note 14)	113,313	90,691	49,395
New revenue standard adoption impact (Note 2 & Note 3)	9,291	—	—
Contingencies and other(2)	35,644	51,631	17,704
Interest and other, net	183,454	122,823	99,532
Other charges (income), net (Note 15)	110,414	(169,719)	21,193
Income before income taxes	$ 182,126	$ 520,893	$ 370,848

(1) Customer related asset impairments for fiscal year 2019, relate to provision for doubtful accounts receivable, inventory and impairment of other assets for certain customers experiencing significant financial difficulties and/or the Company is disengaging.

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.

19. SEGMENT REPORTING (Continued)

(2) Contingencies and other during fiscal year 2019, primarily consists of costs incurred relating to the independent investigation undertaken by the Audit Committee of the Company's Board of Directors which was completed in June 2018. In addition, Contingencies and other also includes certain charges of the China based Multek operations that was divested in the second quarter of fiscal year 2019.

During fiscal year 2018, the Company incurred charges in connection with certain legal matters, for loss contingencies where it believed that losses were probable and estimable. Additionally, the Company incurred various other charges predominately related to damages incurred from a typhoon that impacted a China facility, as well as certain assets impairments during fiscal year 2018.

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.

The Company provides an overall platform of assets and services, which the segments utilize for the benefit of their various customers. The shared assets and services are contained within the Company's global manufacturing and design operations and include manufacturing and design facilities. Most of the underlying manufacturing and design assets are co-mingled in the operating campuses and are compatible to operate across segments and highly interchangeable throughout the platform. Given the highly interchangeable nature of the assets, they are not separately identified by segments nor reported by segment to the Company's CODM.

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 as described above. During fiscal year 2019, 2018 and 2017, depreciation expense included in the segments' measure of operating performance above is as follows. Historical information has been recast to reflect realignment of customers and/or products between segments:

	Fiscal Year Ended March 31,		
	2019	2018	2017
		(In thousands)	
Depreciation expense			
High Reliability Solutions	$ 96,854	$ 97,114	$ 88,604
Industrial & Emerging Industries	92,606	75,366	70,814
Communication & Enterprise Compute	103,162	118,150	133,057
Consumer Technologies Group	104,298	110,276	110,379
Corporate and Other	36,493	33,526	29,384
Total depreciation expense	$433,413	$434,432	$432,238

Geographic information of net sales is as follows:

	Fiscal Year Ended March 31,					
	2019		2018		2017	
			(In thousands)			
Net sales:						
Asia	$11,469,617	44%	$11,210,793	44%	$10,962,075	46%
Americas	9,893,072	38%	9,880,626	39%	8,582,849	36%
Europe	4,847,822	18%	4,349,712	17%	4,318,010	18%
	$26,210,511		$25,441,131		$23,862,934	

Revenues are attributable to the country in which the product is manufactured, or service is provided.

19. SEGMENT REPORTING (Continued)

During fiscal years 2019, 2018 and 2017, net sales generated from Singapore, the principal country of domicile, were approximately $642.7 million, $686.9 million and $595.3 million, respectively.

The following table summarized the countries that accounted for more than 10% of net sales in fiscal year 2019, 2018, and 2017.

	Fiscal Year Ended March 31,					
Net sales:	2019		2018		2017	
			(In thousands)			
China	$6,648,549	25%	$7,449,591	29%	$7,213,614	30%
Mexico	4,538,720	17%	4,361,814	17%	4,075,616	17%
U.S.	3,106,222	12%	2,860,242	11%	2,560,300	11%
Brazil	2,181,025	8%	2,578,466	10%	1,907,591	8%
Malaysia	1,996,152	8%	2,005,119	8%	2,267,478	10%

No other country accounted for more than 10% of net sales for the fiscal periods presented in the table above.

Geographic information of property and equipment, net is as follows:

	As of March 31,			
	2019		2018	
	(In thousands)			
Property and equipment, net:				
Asia	$ 903,288	39%	$ 747,314	33%
Americas	1,003,708	43%	1,012,188	45%
Europe	429,217	18%	480,004	22%
	$2,336,213		$2,239,506	

As of March 31, 2019 and 2018, property and equipment, net held in Singapore were approximately $12.3 million and $12.6 million, respectively.

The following table summarized the countries that accounted for more than 10% of property and equipment, net in fiscal year 2019 and 2018.

	Fiscal Year Ended March 31,			
Property and equipment, net:	2019		2018	
	(In thousands)			
Mexico	$537,396	23%	$586,594	26%
China	523,124	22%	491,664	22%
U.S.	361,098	15%	305,222	14%

No other country accounted for more than 10% of property and equipment, net for the fiscal periods presented in the table above.

20. QUARTERLY FINANCIAL DATA (UNAUDITED)

The Company's third fiscal quarter ends on December 31, and the fourth fiscal quarter and fiscal year ends on March 31 of each year. The first fiscal quarters of 2019 and 2018 ended on June 29, 2018 and June 30, 2017, respectively, and the second fiscal quarters of 2019 and 2018, ended on September 28, 2018 and September 29, 2017, respectively.

The following table contains unaudited quarterly financial data for fiscal years 2019 and 2018. For fiscal year 2019, the Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings, as further described in note 2

Annual Report

20. QUARTERLY FINANCIAL DATA (UNAUDITED) (Continued)

to the consolidated financial statements. The comparative information for the fiscal year 2018 has not been restated and continues to be reported under the accounting standards in effect at the time.

	Fiscal Year Ended March 31, 2019				Fiscal Year Ended March 31, 2018			
	First	Second	Third	Fourth	First	Second	Third	Fourth
Net sales(1)	$6,398,956	$6,662,604	$6,922,827	$6,226,124	$6,008,272	$6,270,420	$6,751,552	$6,410,887
Gross profit(2)	377,854	402,301	357,325	380,295	406,932	393,325	446,328	349,297
Net income (loss)(3)	116,035	86,885	(45,169)	(64,352)	124,710	205,086	118,333	(19,595)
Earnings (losses) per share(4):								
Net income:								
Basic	$ 0.22	$ 0.16	$ (0.09)	$ (0.12)	$ 0.24	$ 0.39	$ 0.22	$ (0.04)
Diluted	$ 0.22	$ 0.16	$ (0.09)	$ (0.12)	$ 0.23	$ 0.38	$ 0.22	$ (0.04)

(1) The Company has made certain immaterial corrections to net sales previously reported for the first three quarters of fiscal 2019 primarily to reflect revenue from certain contracts with customers on a net basis. As a result, the amounts presented above for net sales are $25 million, $48 million and $22 million lower than those previously reported for the first, second and third quarters of fiscal year 2019, respectively. These corrections had no impact on gross profit or net income for any period presented, as they were fully offset by corrections to cost of sales. The Company evaluated these corrections, considering both qualitative and quantitative factors, and concluded they are immaterial to previously issued financial statements and will make corrections prospectively in subsequent quarterly filings.

(2) The Company recorded a total of $65.8 million restructuring charges during the third quarter of fiscal year 2019. The Company classified $60.4 million of these charges as a component of cost of sales and approximately $5.4 million as a component of selling, general and administrative expenses. Refer to note 14 for additional information on these charges. The Company recorded $82.7 million 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.

(3) Net income for the fourth quarter of fiscal year 2019 was primarily affected by an $84 million charge for the impairment of the Company's investment in Elementum. Net income for the third quarter of fiscal year 2019 was primarily affected by a $70 million charge for the impairment of the Company's investment in an unrelated third-party company. Net income for the first quarter of fiscal year 2019 was affected by a $91.8 million gain on the deconsolidation of Bright Machines. Refer to note 2 for further details on the investments impairment charges and the gain on deconsolidation. Net income for the first quarter of fiscal year 2018 was affected by a $38.7 million gain recognized for the disposition of Wink. 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 the Company's investment in Elementum.

(4) Earnings per share are computed independently for each quarter presented and basic shares are used in the quarters with losses; 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, 2019. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2019, the Company's disclosure controls and procedures were effective 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.

(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 the Company's financial reporting and the Company's 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, 2019, 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"). Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as of March 31, 2019.

(c) Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as of March 31, 2019 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) Changes in Internal Control Over Financial Reporting

Throughout fiscal year 2019, we implemented enhanced and additional procedures to remediate the control deficiencies that 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 as disclosed in Item 9A on Form 10-K for the fiscal year ended March 31, 2018.

Management, with the oversight of the Audit Committee, took the following steps as part of our remediation efforts during fiscal 2019:

- Designed and implemented additional site level controls related to accounting for customer contractual obligations including establishing criteria for effective contract reviews and approvals with enhanced documentation to evidence judgements and estimates.
- Designed and implemented a centralized Contract Management Office responsible for the determination of the appropriate accounting on material contracts including maintaining proper evidence of review.
- Designed and implemented centralized oversight controls that provide enhanced visibility to the accounting for customer contracts to ensure improved monitoring and detection of material errors related to certain decentralized activities.
- Enhanced the quality and the frequency of training across all levels to improve awareness of Company policies and knowledge of the expected standards of conduct.

Given the remediation efforts noted above, testing of applicable controls completed during the fourth quarter and the determination that controls are designed and operating effectively, management has concluded that the material weaknesses previously identified have been remediated as of March 31, 2019.

Other than the changes described above there have not been any changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) as of March 31, 2019 that materially affected, or are reasonably likely to materially affect, our 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, 2019, 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, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2019, 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, 2019 of the Company and our report dated May 20, 2019, expressed an unqualified opinion on those financial statements and included an explanatory paragraph related to the Company's change in method of accounting for revenue from contracts with customers in fiscal year 2019 due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* and the Company's change in method of accounting for cash receipts on the deferred purchase price from asset-backed securitization programs in fiscal year 2019 due to the adoption of ASU 2016-15 *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*.

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. 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.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
May 20, 2019

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 the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 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 the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 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 the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 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 the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 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 the Company's definitive proxy statement to be delivered to shareholders in connection with the Company's 2019 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

Exhibit No.	Exhibit	Incorporated by Reference: Form	Incorporated by Reference: File No.	Incorporated by Reference: Filing Date	Incorporated by Reference: 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	
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	

Exhibit No.	Exhibit	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit No.	
4.10	Description of Registrant's Securities					X
10.01	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	
10.02	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	
10.03	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	
10.04	Form of Indemnification Agreement between the Registrant and its Directors and certain officers†	10-K	000-23354	05-20-09	10.01	
10.05	Form of Indemnification Agreement between Flextronics Corporation and Directors and certain officers of the Registrant†	10-K	000-23354	05-20-09	10.02	
10.06	Flex Ltd. 2010 Equity Incentive Plan†	8-K	000-23354	07-28-10	10.01	
10.07	Form of Share Option Award Agreement under 2010 Equity Incentive Plan†	10-Q	000-23354	08-05-10	10.02	
10.08	Flex Ltd. 2017 Equity Incentive Plan†	DEF 14A	000-23354	07-05-17	Annex A	
10.09	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	
10.10	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	
10.11	Flextronics International USA, Inc. Third Amended and Restated 2005 Senior Management Deferred Compensation Plan†	10-Q	000-23354	02-06-09	10.02	
10.12	Flextronics International USA, Inc. Third Amended and Restated Senior Executive Deferred Compensation Plan†	10-Q	000-23354	02-06-09	10.01	
10.13	Summary of Directors' Compensation†	10-Q	000.23354	10-30-17	10.02	
10.14	Executive Incentive Compensation Recoupment Policy†	10-Q	000-23354	08-05-10	10.06	

Exhibit No.	Exhibit	Incorporated by Reference: Form	File No.	Filing Date	Exhibit No.	Filed Herewith
10.15	2010 Flextronics International USA, Inc. Deferred Compensation Plan†	10-Q	000-23354	11-03-10	10.04	
10.16	Form of Award Agreement under 2010 Deferred Compensation Plan†	10-Q	000-23354	07-30-12	10.01	
10.17	Summary of Compensation Arrangements of Certain Executive Officers of Flex Ltd.†					X
10.18	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	
10.19	Form of 2010 Deferred Compensation Plan Award Agreement (performance targets, cliff vesting)†	10-Q	000-23354	08-02-13	10.02	
10.20	Form of 2010 Deferred Compensation Plan Award Agreement (non-performance, periodic vesting, continuing Participant)†	10-Q	000-23354	08-02-13	10.03	
10.21	Award Agreement under the 2010 Deferred Compensation Plan†	10-Q	000-23354	07-28-14	10.01	
10.22	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for retention performance-based vesting awards†	10-Q	000-23354	02-06-19	10.01	
10.23	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for retention service-based vesting awards†					X
10.24	Description of Annual Incentive Bonus Plan for Fiscal 2019†	10-Q	000-23354	08-02-18	10.01	
10.25	NEXTracker Inc. 2014 Equity Incentive Plan†	S-8	333-207325	10-07-15	99.01	
10.26	BrightBox Technologies, Inc. 2013 Stock Incentive Plan†	S-8	333-212267	06-27-16	99.01	
10.27	Flex Ltd. Executive Severance Plan†					X
10.28	Separation and Release of Claims dated December 24, 2018 between Flex Ltd. and Michael M. McNamara†	10-Q	000-23354	02-06-19	10.02	
10.29	Revathi Advaithi Offer Letter, dated February 7, 2019					X
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

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
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/ Revathi Advaithi

Revathi Advaithi
Chief Executive Officer

Date: May 20, 2019

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints jointly and severally, Revathi Advaithi and Christopher E. Collier and each one of them, her or his attorneys-in-fact, each with the power of substitution, for her or 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 her 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/ Revathi Advaithi Revathi Advaithi	Chief Executive Officer and Director (Principal Executive Officer)	May 20, 2019
/s/ Christopher E. Collier Christopher E. Collier	Chief Financial Officer (Principal Financial Officer)	May 20, 2019
/s/ David P. Bennett David P. Bennett	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	May 20, 2019
/s/ Michael D. Capellas Michael D. Capellas	Chairman of the Board	May 20, 2019
/s/ Jill A. Greenthal Jill A. Greenthal	Director	May 20, 2019
/s/ Jennifer Li Jennifer Li	Director	May 20, 2019
/s/ Marc A. Onetto Marc A. Onetto	Director	May 20, 2019

Signature	Title	Date
/S/ WILLY C. SHIH, PH.D. Willy C. Shih, Ph.D.	Director	May 20, 2019
/S/ CHARLES K. STEVENS, III Charles K. Stevens, III	Director	May 20, 2019
/S/ LAY KOON TAN Lay Koon Tan	Director	May 20, 2019
/S/ WILLIAM D. WATKINS William D. Watkins	Director	May 20, 2019
/S/ LAWRENCE A. ZIMMERMAN Lawrence A. Zimmerman	Director	May 20, 2019

Shareholder Information

CORPORATE HEADQUARTERS

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Singapore 486123
Tel: +65.6876.9899

EXTRAORDINARY AND 2019 ANNUAL GENERAL MEETINGS

The Extraordinary and 2019 Annual General Meetings of Shareholders will be held beginning at 9:00 A.M. Pacific time on August 20, 2019. The meetings 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: +1.408.957.8728
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, 2019. 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

Revathi Advaithi—*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

Revathi Advaithi—*Chief Executive Officer, Flex Ltd.*

Michael D. Capellas—*Principal, Capellas Strategic Partners*

Jill A. Greenthal—*Senior Advisor in Private Equity of The Blackstone Group*

Jennifer Li—*General Partner, Changcheng Investment Partners*

Marc A. Onetto—*Principal, Leadership from the Mind and the Heart LLC*

Dr. Willy C. Shih—*Professor of Management Practice at the Harvard Business School*

Charles K. Stevens, III—*Former Chief Financial Officer of General Motors*

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, 2019.

Flex Ltd.
Extraordinary and 2019 Annual General Meetings of Shareholders
Directions and Parking Information
August 20, 2019
9:00 A.M. Pacific time

The Extraordinary and 2019 Annual General Meetings of Shareholders will be held at 6201 America Center Dr., San Jose, CA 95002 at beginning 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.com