

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)

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

For the quarterly period ended September 27, 2019

Or

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

For the transition period from to

Commission file number 0-23354

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

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, a 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 ☒

The number of shares of the registrant's ordinary shares outstanding as of October 22, 2019 was 508,308,187.

FLEX LTD.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Flex Ltd.
Singapore

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of Flex Ltd. and subsidiaries (the “Company”) as of September 27, 2019, the related condensed consolidated statements of operations, comprehensive income (loss), and shareholders' equity for the three-month and six-month periods ended September 27, 2019 and September 28, 2018, the related condensed consolidated statements of cash flows for the six-month periods ended September 27, 2019 and September 28, 2018, and the related notes. Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of Flex Ltd. and subsidiaries as of March 31, 2019 and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated May 20, 2019, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph regarding changes in accounting principles. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of March 31, 2019 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

The interim financial information is the responsibility of the Company's management. 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 reviews in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

San Jose, California

October 29, 2019

FLEX LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of September 27, 2019	As of March 31, 2019
	(In thousands, except share amounts) (Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,815,513	\$ 1,696,625
Accounts receivable, net of allowance for doubtful accounts of \$90,430 and \$91,396 as of September 27, 2019 and March 31, 2019, respectively	2,414,633	2,612,961
Contract assets	205,753	216,202
Inventories	3,721,237	3,722,854
Other current assets	1,335,387	854,790
Total current assets	9,492,523	9,103,432
Property and equipment, net	2,217,445	2,336,213
Operating lease right-of-use assets, net	588,474	—
Goodwill	1,062,450	1,073,055
Other intangible assets, net	292,179	330,995
Other assets	623,582	655,672
Total assets	\$ 14,276,653	\$ 13,499,367
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	\$ 32,450	\$ 632,611
Accounts payable	5,227,495	5,147,236
Accrued payroll	382,812	391,591
Other current liabilities	1,915,263	1,426,075
Total current liabilities	7,558,020	7,597,513
Long-term debt, net of current portion	2,957,878	2,421,904
Operating lease liabilities, non-current	512,086	—
Other liabilities	442,708	507,590
Shareholders' equity		
Ordinary shares, no par value; 559,389,281 and 566,787,620 issued, and 509,149,926 and 516,548,265 outstanding as of September 27, 2019 and March 31, 2019, respectively	6,445,997	6,523,750
Treasury stock, at cost; 50,239,355 shares as of September 27, 2019 and March 31, 2019	(388,215)	(388,215)
Accumulated deficit	(3,062,057)	(3,012,012)
Accumulated other comprehensive loss	(189,764)	(151,163)
Total shareholders' equity	2,805,961	2,972,360
Total liabilities and shareholders' equity	\$ 14,276,653	\$ 13,499,367

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 27, 2019	September 28, 2018	September 27, 2019	September 28, 2018
(In thousands, except per share amounts) (Unaudited)				
Net sales	\$ 6,088,054	\$ 6,662,604	\$ 12,263,993	\$ 13,061,560
Cost of sales	5,785,003	6,233,536	11,560,778	12,252,328
Restructuring charges	113,958	26,767	161,363	29,077
Gross profit	189,093	402,301	541,852	780,155
Selling, general and administrative expenses	205,310	228,677	414,934	485,052
Intangible amortization	16,223	18,234	33,305	36,751
Restructuring charges (recoveries)	14,357	(994)	23,144	5,513
Interest and other, net	47,749	41,060	99,443	82,802
Other charges (income), net	1,147	6,530	2,610	(80,394)
Income (loss) before income taxes	(95,693)	108,794	(31,584)	250,431
Provision for income taxes	21,247	21,909	40,484	47,511
Net income (loss)	\$ (116,940)	\$ 86,885	\$ (72,068)	\$ 202,920
Earnings (losses) per share:				
Basic	\$ (0.23)	\$ 0.16	\$ (0.14)	\$ 0.38
Diluted	\$ (0.23)	\$ 0.16	\$ (0.14)	\$ 0.38
Weighted-average shares used in computing per share amounts:				
Basic	512,692	531,503	513,448	530,426
Diluted	512,692	534,458	513,448	535,027

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 27, 2019	September 28, 2018	September 27, 2019	September 28, 2018
	(In thousands) (Unaudited)			
Net income (loss)	\$ (116,940)	\$ 86,885	\$ (72,068)	\$ 202,920
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of zero tax	(25,907)	(6,622)	(21,503)	(50,708)
Unrealized gain (loss) on derivative instruments and other, net of zero tax	(11,623)	21,075	(17,098)	(19,828)
Comprehensive income (loss)	<u>\$ (154,470)</u>	<u>\$ 101,338</u>	<u>\$ (110,669)</u>	<u>\$ 132,384</u>

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares			Accumulated Other Comprehensive Loss			Total
	Shares Outstanding	Amount	Accumulated Deficit	Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Shareholders' Equity
				(In thousands) Unaudited			
Three Months Ended September 27, 2019							
BALANCE AT JUNE 28, 2019	514,039	\$6,099,166	\$(2,945,117)	\$ (47,031)	\$ (105,203)	\$ (152,234)	\$3,001,815
Repurchase of Flex Ltd. ordinary shares at cost	(5,928)	(60,159)	—	—	—	—	(60,159)
Exercise of stock options	61	325	—	—	—	—	325
Issuance of Flex Ltd. vested shares under restricted share unit awards	978	—	—	—	—	—	—
Net loss	—	—	(116,940)	—	—	—	(116,940)
Stock-based compensation, net of tax	—	18,890	—	—	—	—	18,890
Cumulative effect on opening equity of adopting accounting standards and other	—	(440)	—	—	—	—	(440)
Total other comprehensive loss	—	—	—	(11,623)	(25,907)	(37,530)	(37,530)
BALANCE AT SEPTEMBER 27, 2019	509,150	\$6,057,782	\$(3,062,057)	\$ (58,654)	\$ (131,110)	\$ (189,764)	\$2,805,961

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)

	Ordinary Shares			Accumulated Other Comprehensive Loss			Total
	Shares Outstanding	Amount	Accumulated Deficit	Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Shareholders' Equity
Six Months Ended September 27, 2019							
				(In thousands) Unaudited			
BALANCE AT MARCH 31, 2019	516,548	\$6,135,535	\$(3,012,012)	\$ (41,556)	\$ (109,607)	\$ (151,163)	\$2,972,360
Repurchase of Flex Ltd. ordinary shares at cost	(10,953)	(112,158)	—	—	—	—	(112,158)
Exercise of stock options	178	728	—	—	—	—	728
Issuance of Flex Ltd. vested shares under restricted share unit awards	3,377	—	—	—	—	—	—
Net loss	—	—	(72,068)	—	—	—	(72,068)
Stock-based compensation, net of tax	—	34,117	—	—	—	—	34,117
Cumulative effect on opening equity of adopting accounting standards and other	—	(440)	22,023	—	—	—	21,583
Total other comprehensive loss	—	—	—	(17,098)	(21,503)	(38,601)	(38,601)
BALANCE AT SEPTEMBER 27, 2019	509,150	\$6,057,782	\$(3,062,057)	\$ (58,654)	\$ (131,110)	\$ (189,764)	\$2,805,961

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)

	Ordinary Shares		Accumulated Deficit	Accumulated Other Comprehensive Loss			Total Shareholders' Equity
	Shares Outstanding	Amount		Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	
Three Months Ended September 28, 2018							
				(In thousands) Unaudited			
BALANCE AT JUNE 29, 2018	532,736	\$6,269,529	\$(2,989,376)	\$ (76,649)	\$ (94,185)	\$ (170,834)	\$3,109,319
Repurchase of Flex Ltd. ordinary shares at cost	(4,429)	(59,980)	—	—	—	—	(59,980)
Exercise of stock options	32	86	—	—	—	—	86
Issuance of Flex Ltd. vested shares under restricted share unit awards	548	—	—	—	—	—	—
Net income	—	—	86,885	—	—	—	86,885
Stock-based compensation, net of tax	—	19,081	—	—	—	—	19,081
Cumulative effect on opening equity of adopting accounting standards and other	—	(296)	(1)	—	—	—	(297)
Total other comprehensive income (loss)	—	—	—	21,075	(6,622)	14,453	14,453
BALANCE AT SEPTEMBER 28, 2018	528,887	\$6,228,420	\$(2,902,492)	\$ (55,574)	\$ (100,807)	\$ (156,381)	\$3,169,547

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)

	Ordinary Shares			Accumulated Other Comprehensive Loss			Total
	Shares Outstanding	Amount	Accumulated Deficit	Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Shareholders' Equity
Six Months Ended September 28, 2018				(In thousands) Unaudited			
BALANCE AT MARCH 31, 2018	528,078	\$6,248,532	\$(3,144,114)	\$ (35,746)	\$ (50,099)	\$ (85,845)	\$3,018,573
Repurchase of Flex Ltd. ordinary shares at cost	(4,429)	(59,980)	—	—	—	—	(59,980)
Exercise of stock options	75	131	—	—	—	—	131
Issuance of Flex Ltd. vested shares under restricted share unit awards	5,163	—	—	—	—	—	—
Net income	—	—	202,920	—	—	—	202,920
Stock-based compensation, net of tax	—	40,033	—	—	—	—	40,033
Cumulative effect on opening equity of adopting accounting standards and other	—	(296)	38,702	—	—	—	38,406
Total other comprehensive loss	—	—	—	(19,828)	(50,708)	(70,536)	(70,536)
BALANCE AT SEPTEMBER 28, 2018	528,887	\$6,228,420	\$(2,902,492)	\$ (55,574)	\$ (100,807)	\$ (156,381)	\$3,169,547

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six-Month Periods Ended	
	September 27, 2019	September 28, 2018
	(In thousands) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (72,068)	\$ 202,920
Depreciation, amortization and other impairment charges	357,020	269,062
Gain from deconsolidation of Bright Machines	—	(86,614)
Changes in working capital and other	(1,933,364)	(2,092,964)
Net cash used in operating activities	(1,648,412)	(1,707,596)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(271,541)	(363,373)
Proceeds from the disposition of property and equipment	53,330	12,973
Acquisition of businesses, net of cash acquired	(1,390)	—
Proceeds from divestiture of businesses, net of cash held in divested businesses	3,402	264,438
Cash collections of deferred purchase price	1,839,818	1,812,945
Other investing activities, net	20,114	(24,411)
Net cash provided by investing activities	1,643,733	1,702,572
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings and long-term debt	779,682	650,023
Repayments of bank borrowings and long-term debt	(863,930)	(652,600)
Payments for repurchases of ordinary shares	(112,158)	(59,980)
Net proceeds from issuance of ordinary shares	728	131
Other financing activities, net	327,348	—
Net cash provided by (used in) financing activities	131,670	(62,426)
Effect of exchange rates on cash and cash equivalents	(8,103)	(27,254)
Net increase (decrease) in cash and cash equivalents	118,888	(94,704)
Cash and cash equivalents, beginning of period	1,696,625	1,472,424
Cash and cash equivalents, end of period	\$ 1,815,513	\$ 1,377,720
Non-cash investing activities:		
Unpaid purchases of property and equipment	\$ 70,901	\$ 182,901
Non-cash investment in Bright Machines	\$ —	\$ 127,641

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. ORGANIZATION OF THE COMPANY AND BASIS OF PRESENTATION

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).

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") for interim financial information and in accordance with the requirements of Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements, and should be read in conjunction with the Company's audited consolidated financial statements as of and for the fiscal year ended March 31, 2019 contained in the Company's Annual Report on Form 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and six-month periods ended September 27, 2019 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2020.

The first quarters for fiscal years 2020 and 2019 ended on June 28, 2019, which is comprised of 89 days in the period, and June 29, 2018, which is comprised of 90 days in the period, respectively. The second quarters for fiscal years 2020 and 2019 ended on September 27, 2019 and September 28, 2018, which are comprised of 91 days in both periods.

The accompanying unaudited condensed consolidated financial statements include the accounts of Flex and its majority-owned subsidiaries, after elimination of intercompany accounts and transactions. 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. The associated noncontrolling owners' interest in the income or losses of these

companies is not 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 condensed consolidated statements of operations.

In the accompanying condensed consolidated statements of operations \$26.8 million and \$29.0 million of expenses incurred in the three-month and six-month periods ended September 28, 2018, respectively, that were previously included as cost of sales have been reclassified as restructuring charges to conform with the current period presentation. Also, as previously disclosed, the Company has made certain immaterial corrections to net sales previously reported for the first and second quarters of fiscal year 2019 primarily to reflect revenue from certain contracts with customers on a net basis. As a result of correcting these errors, net sales and cost of sales in the accompanying Condensed Consolidated Statement of Operations for the three-month and six-month periods ended September 28, 2018 have been reduced by \$48 million and \$73 million, respectively, from previously reported amounts. These corrections had no impact on gross profit, segment income or net income for the periods presented. Amounts presented for the three-month and six-month periods ended September 28, 2018 related to the disaggregation of revenue in the CTG segment in Note 4, and CTG segment net sales and total net sales in Note 16, have also been restated accordingly. The Company evaluated these corrections, considering both qualitative and quantitative factors, and concluded they are immaterial to the previously issued financial statements.

Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases, and subsequent updates (collectively, referred to as Accounting Standard Codification 842 or "ASC 842"). ASC 842 requires a lessee to recognize a right of use ("ROU") asset and lease liability. Leases will be classified as finance or operating, with classification affecting the recognition of expense and presentation in the income statement.

The Company adopted ASC 842 on April 1, 2019 using the modified retrospective method on the effective date. As a result, the Company was not required to adjust its comparative period financial information for effects of the standard or make the new required lease disclosures for periods before the Company's adoption date. The Company has elected to adopt the package of transition practical expedients and, therefore, has not reassessed (1) whether existing or expired contracts contain a lease, (2) lease classification for existing or expired leases or (3) the accounting for initial direct costs that were previously capitalized. In addition, the Company has elected the short-term lease recognition and measurement exemption for all classes of assets, which allows the Company to not recognize ROU assets and lease liabilities for leases with a lease term of 12 months or less and with no purchase option the Company is reasonably certain of exercising. The Company has also elected the practical expedient to account for the lease and nonlease components as a single lease component, for all classes of underlying assets. Therefore, the lease payments used to measure the lease liability include all of the fixed considerations in the contract. Lease payments included in the measurement of the lease liability comprise the following: fixed payments (including in-substance fixed payments), and variable payments that depend on an index or rate (initially measured using the index or rate at the lease commencement date). As the Company cannot determine the interest rate implicit in the lease for its leases, the Company uses its estimate of the incremental borrowing rate as of the commencement date in determining the present value of lease payments. The Company's estimated incremental borrowing rate is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The lease term for all of the Company's leases includes the non-cancellable period of the lease plus any additional periods covered by either an option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

The adoption of ASC 842 had a material impact to the Company's consolidated balance sheet, but did not materially impact the consolidated statement of income or consolidated statement of cash flows. The most significant changes to the consolidated balance sheet relate to the recognition of new ROU assets and lease liabilities for operating leases. The Company's accounting for finance leases remains substantially unchanged and the balances are not material for any periods presented.

As a result of adopting ASC 842 as of April 1, 2019, the Company recognized additional operating liabilities of \$658 million with a corresponding ROU asset of \$624 million and a deferred gain of \$22 million for sale leaseback transactions to opening retained earnings.

In October 2018, the FASB issued ASU 2018-16 "Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes" to expand the lists of eligible benchmark interest rates to include OIS based on SOFR to facilitate the marketplace transition from LIBOR. The Company adopted the guidance during the first quarter of fiscal year 2020 with an immaterial impact on the Company's financial position, results of operations and cash flows.

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 early adopted the guidance during the second quarter of fiscal year 2020 with an immaterial impact to its condensed consolidated financial statements.

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 Company adopted the guidance during the first quarter of fiscal year 2020 with an immaterial impact on the Company's financial position, results of operations and cash flows.

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 Company adopted this guidance during the first quarter of fiscal year 2020 with an immaterial impact on its consolidated financial statements.

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 Company adopted this guidance during the first quarter of fiscal year 2020 with an immaterial impact on its consolidated financial statements.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13 "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" and also issued subsequent amendments to the initial guidance: ASU 2018-19, ASU 2019-04 and ASU 2019-05, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The guidance is effective for the Company beginning in the first quarter of fiscal year 2021 with early adoption permitted. The Company is currently assessing and expects the new guidance to 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 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 change 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.

2. BALANCE SHEET ITEMS

Inventories

The components of inventories, net of applicable lower of cost and net realizable value write-downs, were as follows:

	As of September 27, 2019	As of March 31, 2019
	(In thousands)	
Raw materials	\$ 2,780,646	\$ 2,922,101
Work-in-progress	394,282	366,135
Finished goods	546,309	434,618
	<u>\$ 3,721,237</u>	<u>\$ 3,722,854</u>

Goodwill and Other Intangible Assets

The following table summarizes the activity in the Company's goodwill account for each of its four reporting units (which align to the Company's reportable segments) during the six-month period ended September 27, 2019:

	HRS	IEI	CEC	CTG	Total
	(In thousands)				
Balance, beginning of the year	\$ 507,209	\$ 333,257	\$ 129,325	\$ 103,264	\$ 1,073,055
Divestitures	(1,102)	(137)	—	—	(1,239)
Foreign currency translation adjustments	(9,366)	—	—	—	(9,366)
Balance, end of the period	<u>\$ 496,741</u>	<u>\$ 333,120</u>	<u>\$ 129,325</u>	<u>\$ 103,264</u>	<u>\$ 1,062,450</u>

The components of acquired intangible assets are as follows:

	As of September 27, 2019			As of March 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets:						
Customer-related intangibles	\$ 282,006	\$ (118,818)	\$ 163,188	\$ 297,306	\$ (113,627)	\$ 183,679
Licenses and other intangibles	254,797	(125,806)	128,991	274,604	(127,288)	147,316
Total	<u>\$ 536,803</u>	<u>\$ (244,624)</u>	<u>\$ 292,179</u>	<u>\$ 571,910</u>	<u>\$ (240,915)</u>	<u>\$ 330,995</u>

Goodwill is tested for impairment on an annual basis and whenever events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is below its carrying value. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying value, 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. As previously disclosed, the date of its most recent annual impairment test the fair value of the CTG reporting unit exceeded its carrying value by 22%. The Company has assessed whether an interim impairment test should be performed on the CTG reporting unit in light of recent shortfalls in CTG's financial performance. Management has concluded that it is more likely than not that CTG's fair value exceeds its carrying value as of September 27, 2019, thus an interim impairment test was not completed. As the Company continues to refine its long-term strategy for the CTG reporting unit, it is reasonably possible that changes in circumstances could require management to perform an impairment test for CTG prior to the next annual impairment test date of January 1, 2020. In the event that an interim test is performed and goodwill in CTG is determined to be impaired, the resulting charge could be material to the consolidated results of operations.

The gross carrying amounts of intangible assets are removed when fully amortized. The estimated future annual amortization expense for intangible assets is as follows:

Fiscal Year Ending March 31,	Amount
	(In thousands)
2020 (1)	\$ 30,747
2021	59,573
2022	51,229
2023	43,667
2024	42,066
Thereafter	64,897
Total amortization expense	<u>\$ 292,179</u>

(1) Represents estimated amortization for the remaining six-month period ending March 31, 2020.

Other Current Assets

Other current assets include approximately \$357.1 million and \$292.5 million as of September 27, 2019 and March 31, 2019, respectively, for the deferred purchase price receivable from the Company's Asset-Backed Securitization programs. See note 12 for additional information.

The Company participates in certain customers' supplier financing programs allowing Flex to sell its receivables to financial institutions identified by the customer. Under these programs, the financial institutions act as the customers' paying agent with respect to receivables due to the Company. Following the sale of the receivables to the financial institutions, the transferred receivables are isolated from the Company and its affiliates, and effective control of the transferred receivables is passed to the financial institutions, which have the right to pledge or sell the receivables.

During the second quarter of fiscal year 2020, certain invoices were sold and transferred to certain financial institutions under a customer's supplier financing program, that had the right to pledge or sell the receivables as of September 27, 2019. However, under the governing law in the jurisdiction of sale, the assignment of receivables is effective against third-parties only upon registration of the transferred assets with a governmental agency. The Company was not able to complete the registration of the receivables before the end of the fiscal quarter and accordingly did not account for these transactions as true sales. As a result of these transactions the Company has recorded \$336.1 million of other current assets, with a corresponding amount recorded as other current liabilities, in the condensed consolidated balance sheet as of September 27, 2019, and has recorded the same amount as "other financing activities, net" in the statement of cash flows. The Company subsequently registered all of the invoices in October 2019 and the receivables were considered sold at that time.

Other Current Liabilities

Other current liabilities include customer working capital advances of \$249.9 million and \$266.3 million, customer-related accruals of \$243.5 million and \$260.1 million, and deferred revenue of \$341.5 million and \$271.8 million, as of September 27, 2019 and March 31, 2019, 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. Following the adoption of ASC 842, current operating lease liabilities were \$119.6 million as of September 27, 2019. Further, other current liabilities include \$336.1 million representing the arrangement with the financial institutions as of September 27, 2019, as further described above.

3. LEASES

The Company has several commitments under operating leases for warehouses, buildings, and equipment. The Company also has a minimal number of finance leases with an immaterial impact on its condensed financial statements. Leases have initial lease terms ranging from 1 year to 23 years.

The components of lease cost were as follow (in thousands):

Lease cost	Three-Month Period Ended	Six-Month Period Ended
	September 27, 2019	September 27, 2019
Operating lease cost	\$ 40,630	\$ 81,306
Total lease cost	\$ 40,630	\$ 81,306

Amounts reported in the Consolidated Balance Sheet as of the period ended September 27, 2019 were (in thousands, except weighted average lease term and discount rate):

	As of September 27, 2019
Operating Leases:	
Operating lease right of use assets	\$ 588,474
Operating lease liabilities	631,701
Weighted-average remaining lease term (In years)	
Operating leases	7.2
Weighted-average discount rate	
Operating leases	4.3%

Other information related to leases was as follow (in thousands):

	Six-Month Period Ended
	September 27, 2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 69,106

Future lease payments under non-cancellable leases as of September 27, 2019 are as follows (in thousands):

Fiscal Year Ended March 31,	Operating Leases
2020 (1)	\$ 77,710
2021	125,871
2022	106,230
2023	92,832
2024	79,096
Thereafter	259,559
Total undiscounted lease payments	741,298
Less: imputed interest	109,597
Total lease liabilities	\$ 631,701

(1) Represents estimated lease payments for the remaining six-month period ending March 31, 2020.

As previously disclosed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2019 and under the previous lease accounting standard ASC 840, the aggregate future non-cancellable minimum rental payments on our operating lease, as of March 31, 2019, are as follows:

Fiscal Year Ending March 31,	Operating Leases
	(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

4. 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 creates 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 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).

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 condensed consolidated balance sheets and transferred to receivables when rights to payment become unconditional.

A contract liability is recognized when the Company receives payments in advance of the satisfaction of performance and is included in other current liabilities on the condensed consolidated balance sheets. Contract liabilities were \$341.5 million and \$271.8 million as of September 27, 2019 and March 31, 2019, 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 three and six-month periods ended September 27, 2019 and September 28, 2018 (in thousands), respectively.

	Three-Month Period Ended September 27, 2019				
	HRS	IEI	CEC	CTG	Total
Timing of Transfer					
Point in time	\$ 942,113	\$ 1,147,976	\$ 1,390,059	\$ 1,103,855	\$ 4,584,003
Over time	246,518	637,592	338,538	281,403	1,504,051
Total segment	\$ 1,188,631	\$ 1,785,568	\$ 1,728,597	\$ 1,385,258	\$ 6,088,054

	Six-Month Period Ended September 27, 2019				
	HRS	IEI	CEC	CTG	Total
Timing of Transfer					
Point in time	\$ 1,865,840	\$ 2,263,035	\$ 2,749,423	\$ 2,128,481	\$ 9,006,779
Over time	500,834	1,159,447	838,023	758,910	3,257,214
Total segment	\$ 2,366,674	\$ 3,422,482	\$ 3,587,446	\$ 2,887,391	\$ 12,263,993

	Three-Month Period Ended September 28, 2018				
	HRS	IEI	CEC	CTG	Total
Timing of Transfer					
Point in time	\$ 893,141	\$ 1,089,319	\$ 1,519,041	\$ 1,201,696	\$ 4,703,197
Over time	314,830	476,634	621,756	546,187	1,959,407
Total segment	\$ 1,207,971	\$ 1,565,953	\$ 2,140,797	\$ 1,747,883	\$ 6,662,604

	Six-Month Period Ended September 28, 2018				
	HRS	IEI	CEC	CTG	Total
Timing of Transfer					
Point in time	\$ 1,898,321	\$ 2,153,218	\$ 3,012,548	\$ 2,499,833	\$ 9,563,920
Over time	525,075	859,046	1,082,535	1,030,984	3,497,640
Total segment	\$ 2,423,396	\$ 3,012,264	\$ 4,095,083	\$ 3,530,817	\$ 13,061,560

5. SHARE-BASED COMPENSATION

The Company's primary plan used for granting equity compensation awards is the 2017 Equity Incentive Plan (the "2017 Plan").

The following table summarizes the Company's share-based compensation expense:

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 27, 2019	September 28, 2018	September 27, 2019	September 28, 2018
	(In thousands)			
Cost of sales	\$ 4,212	\$ 4,767	\$ 7,152	\$ 10,171
Selling, general and administrative expenses	14,678	14,314	26,965	29,863
Total share-based compensation expense	\$ 18,890	\$ 19,081	\$ 34,117	\$ 40,034

Total unrecognized compensation expense related to share options under all plans was \$1.2 million and will be recognized over a weighted-average remaining vesting period of 1.5 years. As of September 27, 2019, the number of options outstanding

and exercisable under all plans was 0.6 million and 0.5 million, respectively, at a weighted-average exercise price of \$4.28 per share and \$5.49 per share, respectively.

During the six-month period ended September 27, 2019, the Company granted 8.1 million unvested restricted share unit ("RSU") awards. Of this amount, approximately 6.3 million are plain-vanilla unvested RSU awards that vest over four years, with no performance or market conditions, and with an average grant date price of \$9.19 per award. Further, approximately 1.8 million unvested shares represent the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions. The average grant date fair value of these awards contingent on certain market conditions was estimated to be \$11.92 per award and was calculated using a Monte Carlo simulation. The number of shares contingent on market conditions that ultimately will vest will range from zero up to a maximum of 3.6 million based on a measurement of the percentile rank of the Company's total shareholder return over a certain specified period against the Standard and Poor's ("S&P") 500 Composite Index, and will cliff vest after a period of three years, to the extent such market conditions have been met.

As of September 27, 2019, approximately 17.6 million unvested RSU awards under all plans were outstanding, of which vesting for a targeted amount of 3.5 million awards is contingent primarily on meeting certain market conditions. The number of shares that will ultimately be issued can range from zero to 7.0 million based on the achievement levels of the respective conditions. During the six-month period ended September 27, 2019, no shares vested in connection with the awards with market conditions granted in fiscal year 2017.

As of September 27, 2019, total unrecognized compensation expense related to unvested RSU awards under all plans was approximately \$161.3 million, and will be recognized over a weighted-average remaining vesting period of 2.6 years.

6. EARNINGS (LOSSES) PER SHARE

The following table reflects basic weighted-average ordinary shares outstanding and diluted weighted-average ordinary share equivalents used to calculate basic and diluted earnings per share attributable to the shareholders of Flex:

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 27, 2019	September 28, 2018	September 27, 2019	September 28, 2018
(In thousands, except per share amounts)				
Basic earnings (losses) per share:				
Net income (loss)	\$ (116,940)	\$ 86,885	\$ (72,068)	\$ 202,920
Shares used in computation:				
Weighted-average ordinary shares outstanding	512,692	531,503	513,448	530,426
Basic earnings (losses) per share	<u>\$ (0.23)</u>	<u>\$ 0.16</u>	<u>\$ (0.14)</u>	<u>\$ 0.38</u>
Diluted earnings (losses) per share:				
Net income (loss)	\$ (116,940)	\$ 86,885	\$ (72,068)	\$ 202,920
Shares used in computation:				
Weighted-average ordinary shares outstanding	512,692	531,503	513,448	530,426
Weighted-average ordinary share equivalents from stock options and restricted share unit awards (1) (2) (3)	—	2,955	—	4,601
Weighted-average ordinary shares and ordinary share equivalents outstanding	512,692	534,458	513,448	535,027
Diluted earnings (losses) per share	<u>\$ (0.23)</u>	<u>\$ 0.16</u>	<u>\$ (0.14)</u>	<u>\$ 0.38</u>

(1) As a result of the Company's net loss, ordinary shares equivalent from stock options and RSU awards of approximately 2.6 million for the three-month period ended September 27, 2019, and 3.3 million for the six-month period ended September 27, 2019, were excluded from the calculation of diluted earnings (losses) per share, due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

(2) An immaterial number of options to purchase ordinary shares were excluded from the computation of diluted earnings (losses) per share during the three and six-month periods ended September 27, 2019 and September 28, 2018, respectively, due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

- (3) RSU awards of 5.9 million and 5.5 million for the three and six-month periods ended September 27, 2019 were excluded from the computation of diluted earnings (losses) per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents. RSU awards of 3.1 million for the three and six-month periods ended September 28, 2018 were excluded from the computation of diluted earnings per share.

7. BANK BORROWINGS AND LONG-TERM DEBT

Bank borrowings and long-term debt as of September 27, 2019 are as follows:

	As of September 27, 2019	As of March 31, 2019
	(In thousands)	
4.625% Notes due February 2020	\$ —	\$ 500,000
Term Loan due November 2021	421,563	671,563
Term Loan, including current portion, due in installments through June 2022	452,250	458,531
5.000% Notes due February 2023	500,000	500,000
Term Loan due April 2024 - three-month Yen LIBOR plus 0.50%	311,224	—
4.75% Notes due June 2025	597,037	596,815
4.875% Notes due June 2029	448,277	—
India Facilities	110,258	170,206
Other	162,992	168,039
Debt issuance costs	(13,273)	(10,639)
	2,990,328	3,054,515
Current portion, net of debt issuance costs	(32,450)	(632,611)
Non-current portion	\$ 2,957,878	\$ 2,421,904

The weighted-average interest rate for the Company's long-term debt was 4.1% and 4.2% as of September 27, 2019 and March 31, 2019.

During the first quarter of fiscal year 2020, and as further discussed below, the Company entered into a JPY33.525 billion term loan agreement due April 2024, in addition to issuing \$450 million of 4.875% Notes due June 15, 2029. Part of the proceeds obtained were used to repay the outstanding balance of the Company's existing 4.625% Notes due February 2020, and \$250 million of the Term Loan due November 2021. As both transactions were determined to fall under extinguishment accounting, the Company recognized an immaterial loss on extinguishment during the three-month and six-month periods ended September 27, 2019, which was recorded in interest and other, net on the condensed consolidated statements of operations during the period.

Scheduled repayments of the Company's long-term debt as of September 27, 2019 are as follows:

Fiscal Year Ending March 31,	Amount
	(In thousands)
2020 (1)	\$ 19,529
2021	98,849
2022	607,940
2023	857,571
2024	60,438
Thereafter	1,359,274
Total	\$ 3,003,601

- (1) Represents estimated repayments for the remaining six-month period ending March 31, 2020.

Term Loan due April 2024

In April 2019, the Company entered into a JPY 33.525 billion term loan agreement due April 2024, at three-month Yen LIBOR plus 0.50%, which was then swapped to U.S. dollars. The term loan, which is due at maturity and subject to quarterly interest payments, is used to fund general operations and refinance certain other outstanding debts. As the term loan is denominated in Japanese Yen, the debt balance is remeasured to USD at end of each reporting period. Foreign currency

contracts have been entered into with respect to this Japanese yen denominated term loan. Refer to note 10 for additional details.

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. As of September 27, 2019, the Company was in compliance with the covenants under this term loan agreement.

Notes due June 2029

In June 2019, the Company issued \$450 million of 4.875% Notes due June 15, 2029 (the “2029 Notes”), at 99.607% of face value. The Company received proceeds of approximately \$448.2 million, net of discount, from the issuance which was used, together with available cash, to refinance certain other outstanding debt. The Company incurred and capitalized as a direct reduction to the carrying amount of the notes presented on the balance sheet approximately \$4.3 million of costs in conjunction with the issuance of the 2029 Notes.

Interest on the 2029 Notes is payable on June 15 and December 15 of each year, beginning on December 15, 2019. The 2029 Notes are senior unsecured obligations of the Company and rank equally with all of the Company’s other existing and future senior and unsecured indebtedness.

The Indenture governing the 2029 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; 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 2029 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 trustee or holders of at least 25% in aggregate principal amount of the then outstanding 2029 Notes may declare all of the 2029 Notes to be due and payable immediately, but upon certain conditions such declaration and its consequences may be rescinded and annulled by the holders of a majority in principal amount of the 2029 Notes. As of September 27, 2019, the Company was in compliance with the covenants in the indenture governing the 2029 Notes.

8. INTEREST AND OTHER, NET

Interest and other, net for the three and six-month periods ended September 27, 2019 and September 28, 2018 are primarily composed of the following:

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 27, 2019	September 28, 2018	September 27, 2019	September 28, 2018
	(In thousands)			
Interest expenses on debt obligations (1)	\$ 38,461	\$ 35,139	\$ 78,889	\$ 68,656
ABS and AR sales programs related expenses	11,658	11,109	24,639	20,589
Interest income	(5,206)	(4,751)	(9,798)	(9,872)
(Gain) Loss on foreign exchange transactions	(3,167)	3,129	(4,053)	5,186

(1) Interest expense on debt obligations for the three-month and six-month periods ended September 27, 2019 include debt extinguishment costs of \$2.4 million and \$6.5 million, respectively, related to the full repayment of the Notes due February 2020 and partial repayment of Term Loan due November 2021.

9. OTHER CHARGES (INCOME), NET

During the six-month period ended September 28, 2018, the Company recognized other income of \$80.4 million, primarily driven by an \$87.3 million gain on the deconsolidation of Bright Machines.

10. FINANCIAL INSTRUMENTS

Foreign Currency Contracts

The Company enters into short-term and long-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 September 27, 2019, the aggregate notional amount of the Company's outstanding foreign currency derivative contracts was \$9.1 billion as summarized below:

Currency	Foreign Currency Amount		Notional Contract Value in USD	
	Buy	Sell	Buy	Sell
(In thousands)				
Cash Flow Hedges				
CNY	1,086,000	—	\$ 152,447	\$ —
EUR	34,640	4,260	38,352	4,668
HUF	27,209,000	—	89,151	—
ILS	190,000	—	54,247	—
JPY	33,525,000	—	300,000	—
MXN	4,035,000	—	206,441	—
MYR	264,000	40,900	63,187	9,789
PLN	131,400	—	32,862	—
RON	192,000	—	44,333	—
Other	N/A	N/A	46,353	—
			1,027,373	14,457
Other Foreign Currency Contracts				
BRL	—	972,000	—	232,619
CAD	65,885	43,154	49,627	32,505
CNY	5,214,716	1,371,026	738,250	192,837
EUR	1,820,719	2,011,008	1,997,855	2,209,684
GBP	45,292	56,241	56,026	69,547
HUF	80,227,683	84,751,497	262,868	277,690
ILS	264,700	115,000	75,575	32,834
INR	6,807,200	6,411,000	95,825	90,248
JPY	3,195,245	2,596,970	29,736	24,233
MXN	4,450,330	2,690,978	227,691	137,678
MYR	2,142,120	1,799,000	512,702	430,579
SEK	455,420	538,295	46,934	55,304
SGD	90,548	53,439	65,686	38,766
Other	N/A	N/A	57,488	41,809
			4,216,263	3,866,333
Total Notional Contract Value in USD			\$ 5,243,636	\$ 3,880,790

As of September 27, 2019, 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 condensed consolidated balance sheets. Certain of these contracts are designed to economically hedge the Company's exposure to monetary assets and liabilities denominated in a non-functional currency and are not accounted for as hedges under the accounting standards. Accordingly, changes in the fair value of these

instruments are recognized in earnings during the period of change as a component of interest and other, net in the condensed consolidated statements of operations. As of September 27, 2019 and March 31, 2019, the Company also has included net deferred gains and losses in accumulated other comprehensive loss, a component of shareholders' equity in the condensed consolidated balance sheets, relating to changes in fair value of its foreign currency contracts that are accounted for as cash flow hedges. Deferred gains were immaterial as of September 27, 2019, and are expected to be recognized primarily as a component of cost of sales in the condensed consolidated statements of operations primarily over the next twelve-month period, except for the USD JPY cross currency swap, which is further discussed below.

The Company entered into a USD JPY cross currency swap to hedge the foreign currency risk on the JPY term loan due April 2024, and the fair value of the cross currency swap was included in other assets as of September 27, 2019. The changes in fair value of the USD JPY cross currency swap are reported in accumulated other comprehensive loss, with the impact of the excluded component reported in interest and other, net. In addition, a corresponding amount is reclassified out of accumulated other comprehensive loss to interest and other, net to offset the remeasurement of the underlying JPY loan principal which also impacts the same line.

The following table presents the fair value of the Company's derivative instruments utilized for foreign currency risk management purposes:

		Fair Values of Derivative Instruments					
		Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value		
Balance Sheet Location		September 27, 2019	March 31, 2019		Balance Sheet Location	September 27, 2019	March 31, 2019
(In thousands)							
Derivatives designated as hedging instruments							
Foreign currency contracts	Other current assets	\$ 2,492	\$ 10,503		Other current liabilities	\$ 22,800	\$ 10,282
Foreign currency contracts	Other assets	\$ 18,316	\$ —		Other liabilities	\$ —	\$ —
Derivatives not designated as hedging instruments							
Foreign currency contracts	Other current assets	\$ 24,508	\$ 16,774		Other current liabilities	\$ 23,327	\$ 17,144

The Company has financial instruments subject to master netting arrangements, which provides for the net settlement of all contracts with a single counterparty. 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 condensed 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.

11. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component, net of tax, are as follows:

	Three-Month Periods Ended					
	September 27, 2019			September 28, 2018		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)					
Beginning balance	\$ (47,031)	\$ (105,203)	\$ (152,234)	\$ (76,649)	\$ (94,185)	\$ (170,834)
Other comprehensive gain (loss) before reclassifications	(2,883)	(25,907)	(28,790)	945	(6,622)	(5,677)
Net (gains) losses reclassified from accumulated other comprehensive loss	(8,740)	—	(8,740)	20,130	—	20,130
Net current-period other comprehensive gain (loss)	(11,623)	(25,907)	(37,530)	21,075	(6,622)	14,453
Ending balance	<u>\$ (58,654)</u>	<u>\$ (131,110)</u>	<u>\$ (189,764)</u>	<u>\$ (55,574)</u>	<u>\$ (100,807)</u>	<u>\$ (156,381)</u>

	Six-Month Periods Ended					
	September 27, 2019			September 28, 2018		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)					
Beginning balance	\$ (41,556)	\$ (109,607)	\$ (151,163)	\$ (35,746)	\$ (50,099)	\$ (85,845)
Other comprehensive gain (loss) before reclassifications	(8,951)	(21,503)	(30,454)	(40,714)	(50,708)	(91,422)
Net (gains) losses reclassified from accumulated other comprehensive loss	(8,147)	—	(8,147)	20,886	—	20,886
Net current-period other comprehensive gain (loss)	(17,098)	(21,503)	(38,601)	(19,828)	(50,708)	(70,536)
Ending balance	<u>\$ (58,654)</u>	<u>\$ (131,110)</u>	<u>\$ (189,764)</u>	<u>\$ (55,574)</u>	<u>\$ (100,807)</u>	<u>\$ (156,381)</u>

Substantially all unrealized losses relating to derivative instruments and other, reclassified from accumulated other comprehensive loss for the three-month and six-month periods ended September 27, 2019 were recognized as a component of cost of sales in the condensed consolidated statement of operations, which primarily relate to the Company's foreign currency contracts accounted for as cash flow hedges.

12. 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 September 27, 2019 and March 31, 2019, 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 condensed 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 three-month and six-month periods ended September 27, 2019 and September 28, 2018 were not material and are included in interest and other, net within the condensed 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 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 September 27, 2019 and March 31, 2019, the accounts receivable balances that were sold under the ABS Programs were removed from the condensed consolidated balance sheets and the net cash proceeds received by the Company during the six-month periods ended September 27, 2019 and September 28, 2018 were included as cash provided by operating activities in the condensed 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 condensed consolidated statements of cash flows separately as cash collections of deferred purchase price.

As of September 27, 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 approximately \$0.8 billion and deferred purchase price receivables of \$0.4 billion. As of March 31, 2019, approximately \$1.2 billion of accounts receivable had been sold to the special purpose entities for which the Company had received net cash proceeds of \$0.9 billion and deferred purchase price receivables of \$0.3 billion. The deferred purchase price balances as of September 27, 2019 and March 31, 2019, also represent the non-cash beneficial interest obtained in exchange for securitized receivables.

For the six-month periods ended September 27, 2019 and September 28, 2018, cash flows from sales of receivables under the ABS Programs consisted of approximately \$3.2 billion and \$3.7 billion, respectively, for transfers of receivables, and approximately \$1.8 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 \$0.4 billion and \$0.5 billion as of September 27, 2019 and March 31, 2019, respectively. For the six-month periods ended September 27, 2019 and September 28, 2018, total accounts receivable sold to certain third-party banking institutions was approximately \$0.9 billion and \$1.4 billion, respectively. The receivables that were sold were removed from the condensed consolidated balance sheets and the cash received is reflected as cash provided by operating activities in the condensed consolidated statements of cash flows.

13. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability. The accounting guidance for fair value establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Level 1 - Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

The Company has deferred compensation plans for its officers and certain other employees. Amounts deferred under the plans are invested in hypothetical investments selected by the participant or the participant's investment manager. The Company's deferred compensation plan assets are included in other noncurrent assets on the condensed consolidated balance sheets and include investments in equity securities that are valued using active market prices. There were no investments balance classified as level 1 in the fair value hierarchy as of September 27, 2019.

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 September 27, 2019 and March 31, 2019.

There were no transfers between levels in the fair value hierarchy during the six-month periods ended September 27, 2019 and September 28, 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:

	Fair Value Measurements as of September 27, 2019			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	\$ —	\$ 796,718	\$ —	\$ 796,718
Foreign exchange contracts (Note 10)	—	45,316	—	45,316
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	—	56,351	—	56,351
Liabilities:				
Foreign exchange contracts (Note 10)	\$ —	\$ (46,127)	\$ —	\$ (46,127)

	Fair Value Measurements as of March 31, 2019			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	\$ —	\$ 473,888	\$ —	\$ 473,888
Foreign exchange contracts (Note 10)	—	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 contracts (Note 10)	\$ —	\$ (27,426)	\$ —	\$ (27,426)

Other financial instruments

The following table presents the Company's major debts not carried at fair value:

	As of September 27, 2019		As of March 31, 2019		Fair Value Hierarchy
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
	(In thousands)				
4.625% Notes due February 2020	—	—	500,000	499,950	Level 1
Term Loan due November 2021	421,563	423,671	671,563	670,724	Level 1
Term Loan, including current portion, due in installments through June 2022	452,250	453,946	458,531	457,958	Level 1
5.000% Notes due February 2023	500,000	533,977	500,000	499,950	Level 1
Term Loan due April 2024 - three-month Yen LIBOR plus 0.50%	311,224	311,224	—	—	Level 2
4.750% Notes due June 2025	597,037	637,084	596,815	599,940	Level 1
4.875% Notes due June 2029	448,277	473,116	—	—	Level 1
India Facilities	110,258	110,258	170,206	170,206	Level 2
Euro Term Loan due September 2020	50,679	50,679	52,746	52,746	Level 2
Euro Term Loan due January 2022	109,577	109,577	112,524	112,524	Level 2
Total	\$ 3,000,865	\$ 3,103,532	\$ 3,062,385	\$ 3,063,998	

The Company values its Term Loan due April 2024, India Facilities, and Euro Term Loans due September 2020 and January 2022 based on the current market rate, and as of September 27, 2019, the carrying amounts approximate fair values.

The Term Loans due November 2021 and June 2022, and the Notes due February 2020, February 2023, June 2025 and June 2029 are valued based on broker trading prices in active markets.

14. COMMITMENTS AND CONTINGENCIES

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 have 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 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. On September 26, 2019, the Court appointed a new lead plaintiff and lead plaintiff's counsel in the case. Lead plaintiff's deadline to file a further amended complaint is November 8, 2019, and Defendants' deadline to move to dismiss is December 4, 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 assessments for certain sales and import taxes. There are six tax assessments totaling 360 million Brazilian reals (approximately USD \$86.2 million based on the exchange rate as of September 27, 2019). The assessments are in various stages of the review process at the administrative level; the Company successfully defeated one of the six assessments in September 2019 (totally approximately 54 million Brazilian reals or USD \$12.9 million), but that assessment remains subject to appeal and no tax proceeding has been finalized yet. The Company believes there is no legal basis for these assessments and has meritorious defenses and will continue to vigorously oppose all of these assessments, as well as any future assessments. The Company does not expect final judicial determination on any of these claims for several years.

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 which is ongoing. The Company cannot predict how long it will take to complete the investigation or to what extent the Company could be subject to penalties.

A foreign Tax Authority ("Tax Authority") has assessed a cumulative total of approximately \$94 million in taxes owed for multiple Flex legal entities within its jurisdiction for various fiscal years ranging from fiscal year 2010 through fiscal year 2018. The assessed amounts related to the denial of certain deductible intercompany payments. The Company disagrees with the Tax Authority's assessments and is actively contesting the assessments through the administrative and judicial processes. As the final resolution of the assessment remains uncertain, the Company continues to provide for the uncertain tax positions based on the more likely than not standard. While the resolution of the issues may result in tax liabilities, interest and penalties, which may be significantly higher than the amounts accrued for these matters, management currently believes that the resolution will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

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.

15. SHARE REPURCHASES

During the three and six-month periods ended September 27, 2019, the Company repurchased 5.9 million and 11.0 million shares at an aggregate purchase price of \$60.2 million and \$112.2 million, respectively, 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 20, 2019. As of September 27, 2019, shares in the aggregate amount of \$463.0 million were available to be repurchased under the current plan.

16. SEGMENT REPORTING

The Company has four reportable segments: HRS, IEI, CEC and CTG. These segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 1 for a description of the various product categories manufactured under each of these segments.

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include

amortization of intangibles, stock-based compensation, customer related asset impairment charges, restructuring charges, the new revenue standard adoption impact, legal and other, interest and other, net and other charges (income), net.

Selected financial information by segment is in the table below.

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 27, 2019	September 28, 2018	September 27, 2019	September 28, 2018
(In thousands)				
Net sales:				
High Reliability Solutions	\$ 1,188,631	\$ 1,207,971	\$ 2,366,674	\$ 2,423,396
Industrial & Emerging Industries	1,785,568	1,565,953	3,422,482	3,012,264
Communications & Enterprise Compute	1,728,597	2,140,797	3,587,446	4,095,083
Consumer Technologies Group	1,385,258	1,747,883	2,887,391	3,530,817
	<u>\$ 6,088,054</u>	<u>\$ 6,662,604</u>	<u>\$ 12,263,993</u>	<u>\$ 13,061,560</u>
Segment income and reconciliation of income before tax:				
High Reliability Solutions	\$ 83,400	\$ 89,589	\$ 170,632	\$ 183,123
Industrial & Emerging Industries	111,354	65,857	206,811	117,218
Communications & Enterprise Compute	31,634	62,855	57,781	108,873
Consumer Technologies Group	26,992	31,212	57,108	57,769
Corporate and Other	(26,238)	(25,983)	(57,330)	(55,745)
Total segment income	<u>227,142</u>	<u>223,530</u>	<u>435,002</u>	<u>411,238</u>
Reconciling items:				
Intangible amortization	16,223	18,234	33,305	36,751
Stock-based compensation	18,890	19,081	34,117	40,034
Customer related asset impairments (1)	90,973	—	91,456	17,364
Restructuring charges (Note 17)	128,315	25,773	184,507	34,590
New revenue standard adoption impact (Note 4)	—	—	—	9,291
Legal and other (2)	19,538	4,058	21,148	20,369
Interest and other, net	47,749	41,060	99,443	82,802
Other charges (income), net (Note 9)	1,147	6,530	2,610	(80,394)
Income (loss) before income taxes	<u>\$ (95,693)</u>	<u>\$ 108,794</u>	<u>\$ (31,584)</u>	<u>\$ 250,431</u>

- (1) Customer related asset impairments for the three-month and six-month periods ended September 27, 2019 primarily relate to additional provision for doubtful accounts receivable, and reserves for excess and obsolete inventory for certain customers experiencing financial difficulties and/or related to inventory that will not be recovered due to significant reductions in future customer demand as the Company reduces its exposure to certain higher volatility businesses.

Customer related asset impairments for the six-month period ended September 28, 2018 relate to additional provision for doubtful accounts receivable and reserves on inventory for certain customers experiencing financial difficulties.

- (2) Legal and other during the three-month and six-month periods ended September 27, 2019 primarily consists of direct and incremental costs associated with certain wind-down activities related to the disengagement of a certain customer primarily in China and India.

Legal and other during the three and six-month periods ended September 28, 2018 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.

Corporate and other primarily includes corporate services costs that are not included in the Chief Operating Decision Maker's ("CODM") 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 on 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.

17. RESTRUCTURING CHARGES

During fiscal year 2019, the Company took actions to optimize its portfolio with greater focus to be placed on higher margin, less volatile businesses. During the first half of fiscal year 2020 in connection with the recent geopolitical developments and uncertainties, primarily impacting one customer in China, the Company experienced a reduction in demand for products assembled for that customer. As a result, the Company accelerated its strategic decision to reduce its exposure to certain high-volatility products in both China and India. The Company also initiated targeted activities to restructure its business to further reduce and streamline its cost structure. During the three and six-month periods ended September 27, 2019, the Company recognized \$128.3 million and \$184.5 million, respectively, of restructuring charges. The Company incurred cash charges of approximately \$97.0 million and \$127.8 million, respectively, that were predominantly for employee severance, and non-cash charges of \$31.3 million and \$56.7 million, respectively, primarily related to asset impairments during the three and six-month periods ended September 27, 2019. The Company expects to complete these activities during fiscal year 2020.

During the three and six-month periods ended September 28, 2018, the Company recognized \$25.8 million and \$34.6 million, respectively, for charges primarily associated with the wind down of its NIKE operations in Mexico, the majority of which were for non-cash asset impairments.

The following table summarizes the provisions, respective payments, and remaining accrued balance as of September 27, 2019 for charges incurred during the six-month period ended September 27, 2019:

	Severance	Long-Lived Asset Impairment	Other Exit Costs	Total
	(In thousands)			
Balance as of March 31, 2019	\$ 23,234	\$ —	\$ 9,200	\$ 32,434
Provision for charges incurred during the six-month period ended September 27, 2019	91,857	44,621	48,029	184,507
Cash payments for charges incurred in the fiscal year 2019 and prior	(10,899)	—	(2,260)	(13,159)
Cash payments for charges incurred during the six-month period ended September 27, 2019	(76,453)	—	(552)	(77,005)
Non-cash charges incurred during the six-month period ended September 27, 2019	—	(44,621)	(13,073)	(57,694)
Balance as of September 27, 2019	27,739	—	41,344	69,083
Less: Current portion (classified as other current liabilities)	27,739	—	41,344	69,083
Accrued restructuring costs, net of current portion (classified as other liabilities)	\$ —	\$ —	\$ —	\$ —

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

This report on Form 10-Q 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-Q with the Securities and Exchange Commission. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those risks and uncertainties discussed in this section, as well as any risks and uncertainties discussed in Part II, Item 1A, "Risk Factors" of this report on Form 10-Q, and in Part I, Item 1A, "Risk Factors" and in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended March 31, 2019. 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, ship and service complete packaged consumer and enterprise products, 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.

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 actions to optimize our portfolio with greater focus to be placed on higher margin, less volatile businesses. During the first half of fiscal year 2020 in connection with the recent geopolitical developments and uncertainties, primarily impacting one customer in China, we experienced a reduction in demand for products assembled for that customer. As a result, we accelerated our strategic decision to reduce our exposure to certain high-volatility products in both China and India. We also initiated targeted activities to restructure our business to further reduce and streamline our cost structure. We recognized \$185 million of charges during the first half of fiscal year 2020, comprised of approximately \$128 million of cash charges predominantly for employee severance, and \$57 million of non-cash charges primarily related to asset impairments. While the bulk of the restructuring charges were executed in the first half of fiscal year 2020, we expect to incur

additional restructuring charges throughout the remainder of fiscal year 2020, with the expectation to complete these activities by the end of the fiscal year.

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 \$12.3 billion for the six-month period ended September 27, 2019 and \$26.2 billion in fiscal year 2019. 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:	Three-Month Periods Ended					Six-Month Periods Ended						
	September 27, 2019		September 28, 2018		September 27, 2019		September 28, 2018					
	(In millions)											
China	\$	1,446	24%	\$	1,730	26%	\$	2,897	24%	\$	3,400	26%
Mexico		1,158	19%		1,179	18%		2,237	18%		2,291	18%
U.S.		907	15%		782	12%		1,711	14%		1,288	10%
Brazil		489	8%		533	8%		1,044	9%		1,120	9%
Malaysia		408	7%		550	8%		834	7%		1,018	8%
India		304	5%		421	6%		793	6%		884	7%
Other		1,376	22%		1,468	22%		2,748	22%		3,061	22%
	\$	6,088		\$	6,663		\$	12,264		\$	13,062	

Amounts may not sum due to rounding.

In the accompanying condensed consolidated statements of operations \$26.8 million and \$29.0 million of expenses incurred in the three-month and six-month periods ended September 28, 2018, respectively, that were previously included as cost of sales have been reclassified as restructuring charges to conform with the current period presentation. Also, as previously disclosed, we have made certain immaterial corrections to net sales previously reported for the first and second quarters of fiscal year 2019 primarily to reflect revenue from certain contracts with customers on a net basis. As a result of correcting these errors, net sales and cost of sales in the accompanying Condensed Consolidated Statement of Operations for the three-month and six-month periods ended September 28, 2018 have been reduced by \$48 million and \$73 million, respectively, from previously reported amounts. These corrections had no impact on gross profit, segment income or net income for the periods presented.

<u>Property and equipment, net:</u>	As of		As of			
	September 27, 2019		March 31, 2019			
	(In millions)					
Mexico	\$	548	25%	\$	537	23%
China		419	19%		523	22%
U.S.		378	17%		361	15%
India		216	10%		219	9%
Malaysia		127	6%		138	6%
Hungary		99	4%		103	4%
Other		430	19%		454	21%
	\$	2,217		\$	2,336	

Amounts may not sum due to rounding.

We believe that the combination of our 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.

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.

We are also subject to other risks as outline in Part II, Item 1A, "Risk Factors" and Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 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.

Refer to the accounting policies under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2019, where we discuss our more significant judgments and estimates used in the preparation of the condensed consolidated financial statements. There were no changes to our accounting policies other than the adoption of ASC 842, as discussed below.

Leases

We are a lessee with several non-cancellable operating leases, primarily for warehouses, buildings, and other assets such as vehicles and equipment. We determine if an arrangement is a lease at contract inception. A contract is a lease or contains a lease when (1) there is an identified asset, and (2) the customer has the right to control the use of the identified asset.

Beginning with the adoption of ASC 842 on April 1, 2019, we recognize a right-of-use ("ROU") asset and a lease liability at the lease commencement date for our operating leases. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. We have elected the short-term lease recognition and measurement exemption for all classes of assets, which allows us to not recognize ROU assets and lease liabilities for leases with a lease term of 12 months or less and with no purchase option we are reasonably certain of exercising. We have also elected the practical expedient to account for the lease and nonlease components as a single lease component, for all classes of underlying assets. Therefore, the lease payments used to measure the lease liability include all of the fixed considerations in the contract. Lease payments included in the measurement of the lease liability comprise the following: fixed payments (including in-substance fixed payments), and variable payments that depend on an index or rate (initially measured using the index or rate at the lease commencement date). As we cannot determine the interest rate implicit in the lease for our leases, as such we use our estimate of the incremental borrowing rate as of the commencement date in determining the present

value of lease payments. Our estimated incremental borrowing rate is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The lease term for all of our leases includes the non-cancellable period of the lease plus any additional periods covered by either an option to extend (or not to terminate) the lease that we are reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

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 together with the condensed consolidated financial statements and notes thereto included in this document. In addition, reference should be made to our audited consolidated financial statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2019 Annual Report on Form 10-K.

	Three-Month Periods Ended		Six-Month Periods Ended	
	September 27, 2019	September 28, 2018	September 27, 2019	September 28, 2018
Net sales	100.0 %	100.0%	100.0 %	100.0 %
Cost of sales	95.0	93.6	94.3	93.9
Restructuring charges	1.9	0.4	1.3	0.2
Gross profit	3.1	6.0	4.4	5.9
Selling, general and administrative expenses	3.4	3.4	3.4	3.6
Intangible amortization	0.3	0.3	0.3	0.3
Restructuring charges (recoveries)	0.2	0.0	0.2	0.0
Interest and other, net	0.8	0.6	0.8	0.6
Other charges (income), net	0.0	0.1	0.0	(0.6)
Income (loss) before income taxes	(1.6)	1.6	(0.3)	2.0
Provision for income taxes	0.3	0.3	0.3	0.4
Net income (loss)	(1.9)%	1.3%	(0.6)%	1.6 %

Net sales

The following table sets forth our net sales by segment and their relative percentages:

Segments:	Three-Month Periods Ended					Six-Month Periods Ended						
	September 27, 2019		September 28, 2018			September 27, 2019		September 28, 2018				
	(In millions)											
High Reliability Solutions	\$	1,189	20%	\$	1,208	18%	\$	2,367	19%	\$	2,423	19%
Industrial & Emerging Industries		1,786	29%		1,566	24%		3,422	28%		3,012	23%
Communications & Enterprise Compute		1,729	28%		2,141	32%		3,587	29%		4,095	31%
Consumer Technologies Group		1,385	23%		1,748	26%		2,887	24%		3,531	27%
	\$	6,088		\$	6,663		\$	12,264		\$	13,062	

Amounts may not sum due to rounding.

Net sales during the three-month period ended September 27, 2019 totaled \$6.1 billion, representing a decrease of approximately \$575 million, or 9% from \$6.7 billion during the three-month period ended September 28, 2018. The decrease in sales was driven by softness across our segments with the exception of our IEI segment. Our CTG segment decreased \$363 million, primarily resulting from our continued active pruning of underperforming customers and product categories coupled with a reduction and delay in demand with certain customers in India. Our CEC segment decreased \$412 million, driven by reduced demand in our networking and telecommunication businesses due to the slower roll-out of 5G technology and our previously announced disengagement with a customer primarily in China and India. Our HRS segment decreased \$19 million primarily due to lower demand in our health solution business, partially offset by ramps in our automotive business. These declines were offset by a \$220 million increase in our IEI segment, mainly driven by strong sales within our home and lifestyle business in addition to growth in our solar energy business that more than offset declines in capital equipment demand. Net sales decreased \$597 million to \$2.4 billion in Asia, \$47 million to \$1.1 billion in Europe, offset by a modest increase of \$70 million to \$2.6 billion in the Americas.

Net sales during the six-month period ended September 27, 2019 totaled \$12.3 billion, representing a decrease of approximately \$798 million, or 6% from \$13.1 billion during the six-month period ended September 28, 2018. As noted above, the decrease in net sales was notable across all our segments with the exception of our IEI segment, driven by a \$0.6 billion decrease in CTG, a \$0.5 billion decrease in CEC and a \$0.4 billion increase in IEI due to the same factors described above. Net sales decreased \$891 million to \$4.9 billion in Asia, and \$88 million to \$2.3 billion in Europe, offset by an increase of \$181 million to \$5.0 billion in the Americas.

Our ten largest customers, during the three and six-month periods ended September 27, 2019, accounted for approximately 39% of net sales, respectively. Our ten largest customers, during the three and six-month periods ended September 28, 2018, accounted for approximately 43% of net sales, respectively. No customer accounted for more than 10% of net sales during the three and six-month periods ended September 27, 2019 or September 28, 2018.

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, as well as specific restructuring activities initiated 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 during the three-month period ended September 27, 2019 decreased \$213 million to \$189 million, or 3.1% of net sales, from \$402 million, or 6.0% of net sales, during the three-month period ended September 28, 2018. Gross profit during the six-month period ended September 27, 2019 decreased \$238 million to \$542 million, or 4.4% of net sales, from \$780 million, or 5.9% of net sales, during the six-month period ended September 28, 2018. Gross margin deteriorated 290 basis points and 150 basis points, respectively, during the three-month and six-month periods ended September 27, 2019. The decrease in both gross profit and gross margin is primarily due to the geopolitical challenges and uncertainties which impacted specific customers resulting in restructuring charges recorded in the first half of fiscal year 2020 as well as the current quarter write down of inventory that will not be recovered due to significant reductions in future customer demand as we reduce our exposure to certain higher volatility businesses. These were partially offset by the favorable product mix and the increased revenues from our IEI segment, the wind-down of our NIKE Mexico operations in the second half of fiscal year 2019, and benefits realized from our earlier restructuring activities initiated in fiscal year 2019.

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 impairment charges, restructuring charges, the new revenue standard adoption impact, legal 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:

	Three-Month Periods Ended				Six-Month Periods Ended							
	September 27, 2019		September 28, 2018		September 27, 2019		September 28, 2018					
	(In millions)											
Segment income and reconciliation of income before tax:												
High Reliability Solutions	\$	83	7.0%	\$	90	7.4%	\$	171	7.2%	\$	183	7.6%
Industrial & Emerging Industries		111	6.2%		66	4.2%		207	6.0%		117	3.9%
Communications & Enterprise Compute		32	1.8%		63	2.9%		58	1.6%		109	2.7%
Consumer Technologies Group		27	1.9%		31	1.7%		57	2.0%		58	1.6%
Corporate and Other		(26)			(26)			(57)			(56)	
Total segment income		227	3.7%		224	3.3%		435	3.5%		411	3.1%
Reconciling items:												
Intangible amortization		16			18			33			37	
Stock-based compensation		19			19			34			40	
Customer related asset impairments (1)		91			—			91			17	
Restructuring charges (Note 17)		128			26			185			35	
New revenue standard adoption impact (Note 4)		—			—			—			9	
Legal and other (2)		20			4			21			20	
Interest and other, net		48			41			99			83	
Other charges (income), net (Note 9)		1			7			3			(80)	
Income (loss) before income taxes	\$	(96)		\$	109		\$	(32)		\$	250	

Amounts may not sum due to rounding.

- (1) Customer related asset impairments for the three-month and six-month periods ended September 27, 2019 primarily relate to additional provision for doubtful accounts receivable, and reserves for excess and obsolete inventory for certain customers experiencing financial difficulties and/or related to inventory that will not be recovered due to significant reductions in future customer demand as the Company reduces its exposure to certain higher volatility businesses.

Customer related asset impairments for the six-month period ended September 28, 2018 relate to additional provision for doubtful accounts receivable and reserves on inventory for certain customers experiencing financial difficulties.

- (2) Legal and other during the three-month and six-month periods ended September 27, 2019 primarily consists of direct and incremental costs associated with certain wind-down activities related to the disengagement of a certain customer primarily in China and India.

Legal and other during the three and six-month periods ended September 28, 2018 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.

HRS segment margin decreased 40 basis points, to 7.0% for the three-month period ended September 27, 2019, from 7.4% during the three-month period ended September 28, 2018. HRS segment margin decreased 40 basis points, to 7.2% for the six-month period ended September 27, 2019, from 7.6% for the six-month period ended September 28, 2018. The decrease in HRS segment margin during the period is primarily the result of accelerated investments for new program ramp, coupled with demand softness in our health solution business.

IEI segment margin increased 200 basis points, to 6.2% for the three-month period ended September 27, 2019, from 4.2% during the three-month period ended September 28, 2018. IEI segment margin increased 210 basis points, to 6.0% for the six-month period ended September 27, 2019, from 3.9% for the six-month period ended September 28, 2018. The increase in IEI's margin during the period is primarily due to a favorable mix resulting from operational execution on the new business that is ramping particularly in Energy, greater levels of design and engineering led engagements and increased demand in Home & Lifestyle.

CEC segment margin decreased 110 basis points, to 1.8% for the three-month period ended September 27, 2019, from 2.9% during the three-month period ended September 28, 2018. CEC segment margin decreased 110 basis points, to 1.6% for the six-month period ended September 27, 2019, from 2.7% for the six-month period ended September 28, 2018. The decrease in CEC's margin during the period is primarily due to geopolitical challenges and uncertainties which impacted demand from specific customers as well as a drop in demand in our networking and telecommunication businesses due to the slower roll-out of 5G technology which created elevated levels of unabsorbed manufacturing overhead costs and finished goods inventory.

CTG segment margin increased 20 basis points to 1.9% for the three-month period ended September 27, 2019, from 1.7% during the three-month period ended September 28, 2018. CTG segment margin increased 40 basis points, to 2.0% for the six-month period ended September 27, 2019, from 1.6% for the six-month period ended September 28, 2018. The increase in CTG's margin during the period reflected lesser losses from our former strategic partnership with NIKE versus the six-month period ended September 28, 2018 and mix improvements as we continued to rationalize and prune underperforming accounts to improve our portfolio mix.

Restructuring charges

During fiscal year 2019, we took actions to optimize our portfolio with greater focus to be placed on higher margin, less volatile businesses. During the first half of fiscal year 2020 in connection with the recent geopolitical developments and uncertainties, primarily impacting one customer in China, we experienced a reduction in demand for products assembled for that customer. As a result, we accelerated our strategic decision to reduce our exposure to certain high-volatility products in both China and India. We also initiated targeted activities to restructure our business to further reduce and streamline our cost structure. During the three and six-month periods ended September 27, 2019, we recognized \$128 million and \$185 million, respectively, of restructuring charges. We incurred cash charges of approximately \$97 million and \$128 million, respectively, that were predominantly for employee severance, and non-cash charges of \$31 million and \$57 million, respectively, primarily related to asset impairments. While the bulk of the restructuring charges were executed in the first half of fiscal year 2020, we expect to incur additional restructuring charges throughout the remainder of fiscal year 2020, with the expectation to complete these activities by the end of the fiscal year.

During the three and six-month periods ended September 28, 2018, we recognized \$26 million and \$35 million, respectively, for charges primarily associated with the wind down of our NIKE operations in Mexico, the majority of which were for non-cash asset impairments.

Selling, general and administrative expenses

Selling, general and administrative expenses ("SG&A") was \$205 million, or 3.4% of net sales, during the three-month period ended September 27, 2019, decreasing \$23 million from \$229 million, or 3.4% of net sales, during the three-month period ended September 28, 2018. SG&A was \$415 million, or 3.4% of net sales, during the six-month period ended September 27, 2019, decreasing \$70 million from \$485 million, or 3.6% of net sales, during the six-month period ended September 28, 2018. This decrease was primarily due to strong cost discipline focused on driving further productivity improvements and a refined cost structure benefiting from prior restructuring initiatives.

Intangible amortization

Amortization of intangible assets was \$16 million during the three-month period ended September 27, 2019, compared to \$18 million for the three-month period ended September 28, 2018, and \$33 million during the six-month period ended September 27, 2019, compared to \$37 million for the six-month period ended September 28, 2018. The decline in both periods was primarily due to certain intangibles now being fully amortized.

Interest and other, net

Interest and other, net was \$48 million during the three-month period ended September 27, 2019 compared to \$41 million during the three-month period ended September 28, 2018, and \$99 million during the six-month period ended September 27, 2019 compared to \$83 million during the six-month period ended September 28, 2018. The increase in interest and other, net was primarily a result of higher expenses from our asset-backed securitization programs, coupled with incremental interest expenses from our new borrowings.

Other charges (income), net

Other charges (income), net was \$1 million and \$3 million of net expense during the three and six-month periods ended September 27, 2019, respectively, compared to \$7 million of net expense and \$80 million of income during the three and six-month periods ended September 28, 2018, respectively, primarily a result of the non-cash gain from the deconsolidation of Bright Machines recognized in fiscal year 2019.

Income taxes

Certain of our subsidiaries, at various times, have been granted tax relief in their respective countries, resulting in lower income taxes than would otherwise be the case under ordinary tax rates. Refer to note 13, "Income Taxes" of the notes to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended March 31, 2019 for further discussion.

Our policy is to provide a valuation allowance against deferred tax assets that in our estimation are not more likely than not to be realized.

The consolidated effective tax rate was (22)% and (128)% for the three-month and six-month periods ended September 27, 2019 and 20% and 19% for the three-month and six-month periods ended September 28, 2018. The effective rate varies from the Singapore statutory rate of 17% as a result of recognition of earnings in different jurisdictions (we generate most of our revenues and profits from operations outside of Singapore), operating loss carryforwards, income tax credits, release of previously established valuation allowances for deferred tax assets, liabilities for uncertain tax positions, as well as the effect of certain tax holidays and incentives granted to our subsidiaries primarily in China, Malaysia, Costa Rica, India, the Netherlands and Israel. The effective tax rate for the three-month and six-month periods ended September 27, 2019 is significantly lower than the effective tax rate for the three-month and six-month periods ended September 28, 2018, due to a changing jurisdictional mix of income, and our recognition of approximately \$242 million and \$308 million in restructuring charges, impairment of non-core investment, and customer related asset impairments with minimal associated tax benefit, respectively. This resulted in tax expense recorded on a US GAAP loss for the period.

LIQUIDITY AND CAPITAL RESOURCES

As of September 27, 2019, we had cash and cash equivalents of approximately \$1.8 billion and bank and other borrowings of approximately \$3.0 billion. We have a \$1.75 billion revolving credit facility that expires in June 2022, under which there were no borrowings outstanding as of the end of the quarter. We also entered into a JPY 33.525 billion term loan due April 2024, at three-month Yen LIBOR plus 0.50%, which was then swapped to U.S. dollars. In addition, we issued \$450 million of 4.875% Notes in June 2019. The proceeds were used to repay the outstanding balance of our existing 4.625% Notes due February 2020, and \$250 million of the Term Loan due November 2021. Refer to note 7 to the condensed consolidated financial statement for details. As of September 27, 2019, we were in compliance with the covenants under all of our credit facilities and indentures.

Cash used in operating activities was \$1.6 billion during the six-month period ended September 27, 2019, primarily driven by cash outflows related to accounts receivable. Cash collections from the deferred purchase price on our ABS sales program of \$1.8 billion are now included in cash from investing activities. This was coupled with \$72 million of net loss for the period, partially offset by \$400 million of non-cash charges such as depreciation, amortization, restructuring and impairment charges, and stock-based compensation.

We believe net working capital and net working capital as a percentage of annualized net sales are key metrics that measure our liquidity. Net working capital position was 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 and contract assets, less accounts payable and certain other current liabilities related to vendor financing programs. Net working capital decreased \$217 million as of September 27, 2019, from \$1.7 billion as of March 31, 2019. This decrease is primarily driven by a \$134 million decrease in net receivables, coupled with an \$80 million increase in accounts payable. Our current quarter net working capital as a percentage of annualized net sales for the quarter ended September 27, 2019, decreased slightly to 6.0% from 6.7% of annualized net sales for the quarter ended March 31, 2019. We generally operate in a net working capital targeted range between 6% to 8% of annualized revenue for the quarter.

Cash provided by investing activities was \$1.6 billion during the six-month period ended September 27, 2019. This was primarily driven by \$1.8 billion of cash collections on deferred purchase price from our ABS programs during the six-month period ended September 27, 2019, offset by approximately \$218 million of net capital expenditures for property and equipment to continue expanding capabilities and capacity in support of our expanding IEI and HRS businesses.

We believe adjusted free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions, repurchase company shares

and for certain other activities. Our adjusted free cash flow is defined as cash from operations, plus cash collections of deferred purchase price, less net purchases of property and equipment to present adjusted cash flows on a consistent basis for investor transparency. We also excluded the impact to cash flows related to certain vendor programs that is required for US GAAP presentation. In addition, for the six-month period ended September 27, 2019, we added the cash inflows related to the receivable sold to certain financial institutions as described in more details in note 2 to the condensed consolidated financial statements in our adjusted free cash flow calculation. Our adjusted free cash flows for the six-month period ended September 27, 2019 was \$301 million compared to a use of \$245 million for the six-month period ended September 28, 2018. Adjusted free cash flow is not a measure of liquidity under U.S. GAAP, and may not be defined and calculated by other companies in the same manner. Adjusted free cash flow should not be considered in isolation or as an alternative to net cash provided by operating activities. Adjusted free cash flows reconcile to the most directly comparable GAAP financial measure of cash flows from operations as follows:

	Six-Month Periods Ended	
	September 27, 2019	September 28, 2018
	(In millions)	
Net cash used in operating activities	(1,648)	\$ (1,708)
Cash collection of deferred purchase price and other	2,167	1,813
Purchases of property and equipment	(271)	(363)
Proceeds from the disposition of property and equipment	53	13
Adjusted free cash flow	\$ 301	\$ (245)

Cash provided by financing activities was \$132 million during the six-month period ended September 27, 2019, which was primarily driven by \$448 million of proceeds, net of discount, received following the issuance of the 2029 Notes, \$300 million of proceeds following the execution of our term loan agreement due April 2024 during the first quarter of fiscal year 2020, coupled with \$336 million of proceeds from the sale of receivables to certain financial institutions (as further described in note 2 to the condensed consolidated financial statements) and \$31 million of proceeds from drawdowns from our India term loan facility. For further information on the 2029 Notes and the Term Loan due 2024, see note 7 to the condensed consolidated financial statements. Partially offsetting the proceeds described above were i) \$500 million of cash paid for the repurchase of the outstanding balance of our 4.625% Notes due February 2020, ii) \$250 million of cash paid for the partial prepayment of the term loan due November 2021, iii) \$91 million of cash paid for the outstanding balance of our short-term bank borrowings facility in India, and iv) \$112 million of cash paid for the repurchase of our ordinary shares.

Our cash balances are generated and held in numerous locations throughout the world. 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. 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. As of September 27, 2019, and 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, for the majority of our foreign entities, 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.

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. The cumulative payments due to suppliers participating in the programs

amounted to approximately \$0.2 billion and \$0.3 billion for the three and six-month periods ended September 27, 2019, respectively, and approximately \$0.1 billion and \$0.2 billion for the three and six-month periods ended September 28, 2018, 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.

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.

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 20, 2019. During the six-month period ended September 27, 2019, we paid \$112 million to repurchase shares under the current and prior repurchase plans at an average price of \$10.24 per share. As of September 27, 2019, shares in the aggregate amount of \$463 million were available to be repurchased under the current plan.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Information regarding our long-term debt payments, operating lease payments, capital lease payments and other commitments is provided in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on our Form 10-K for the fiscal year ended March 31, 2019.

During the first quarter of fiscal year 2020, we entered into a JPY 33.525 billion term loan agreement due April 2024, at three-month Yen LIBOR plus 0.50%, which was then swapped to U.S. dollars. In addition, we issued \$450 million of 4.875% Notes due June 15, 2029. Part of the proceeds obtained were used to repay the outstanding balance of our existing 4.625% Notes due February 2020, and \$250 million of the Term Loan due November 2021.

Other than the changes discussed above, there were no material changes in our contractual obligations and commitments since March 31, 2019.

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 September 27, 2019, and March 31, 2019, the fair values of our deferred purchase price receivable were approximately \$357 million and \$293 million, respectively. As of September 27, 2019, and March 31, 2019, the outstanding balance on receivables sold for cash was \$1.3 billion under all our accounts receivable sales programs, which are not included in our condensed consolidated balance sheets. For further information, see note 12 to the condensed consolidated financial statements.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

There were no material changes in our exposure to market risks for changes in interest and foreign currency exchange rates for the six-month period ended September 27, 2019 as compared to the fiscal year ended March 31, 2019.

ITEM 4. 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 September 27, 2019. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of September 27, 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) Changes in Internal Control Over Financial Reporting

Except for the implementation of certain internal controls related to our April 1, 2019 adoption of ASC 842, Leases, guidance issued by the Financial Accounting Standards Board, there were no changes in our internal control over financial reporting that occurred during our first and second quarters of fiscal year 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material legal proceedings, see note 14 “Commitments and Contingencies” in the notes to the condensed consolidated financial statements, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the risks and uncertainties discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended March 31, 2019, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be not material also may materially and adversely affect our business, financial condition and/or operating results. We are including the following revised risk factors, which update and supersede the corresponding risk factors disclosed in our Annual Report on Form 10-K for the year ended March 31, 2019, and which should be read in conjunction with our description of risk factors in Part I, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ended March 31, 2019:

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. Further, one of our former customers, Huawei Technologies Co., Ltd., and some of its affiliates have been added to the U.S. Department of Commerce's Entity List, and we could be subject to reputational harm based on its business activities, including activities with sanctioned countries.

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

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

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. On September 26, 2019, the Court appointed a new lead plaintiff and lead plaintiff's counsel in the case. Lead plaintiff's deadline to file a further amended complaint is November 8, 2019, and Defendants' deadline to move to dismiss is December 4, 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 which is ongoing. 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.

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 ("Brexit"), which was originally scheduled to take place on October 31, 2019, following its referendum on EU membership. On October 22, 2019, the House of Commons of the United Kingdom voted for a withdrawal agreement to enact Brexit, but voted against the government's motion setting forth a timetable for Brexit. There is therefore significant uncertainty regarding the specific timing and the terms on which the United Kingdom will leave the EU. The political and economic instability created by Brexit caused and may continue to cause significant volatility in global markets. Additionally, conditions may be adversely impacted by the actions that the U.S. or other countries have 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.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our ordinary shares made by us for the period from June 29, 2019 through September 27, 2019:

Period	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
June 29, 2019 - August 2, 2019 (2)	148,905	\$ 10.76	148,905	\$ 270,920,458
August 3, 2019 - August 30, 2019 (2) (3)	3,721,732	\$ 9.98	3,721,732	\$ 484,411,060
August 31, 2019 - September 27, 2019 (3)	2,057,106	\$ 10.42	2,057,106	\$ 462,981,874
Total	5,927,743		5,927,743	

- (1) During the period from June 29, 2019 through September 27, 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 June 28, 2019, we had shares in the aggregate amount of \$272.5 million available to be repurchased under this plan, of which 2.3 million shares in the aggregate amount of \$23.1 million were repurchased as of August 20, 2019 (after which authorization under this plan terminated).
- (3) On August 20, 2019, 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 September 27, 2019, shares in the aggregate amount of \$463.0 million were available to be repurchased under the current plan.

ITEM 3. *DEFAULTS UPON SENIOR SECURITIES*

None

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable

ITEM 5. *OTHER INFORMATION*

None

ITEM 6. EXHIBITS
EXHIBIT INDEX

Exhibit No.	Exhibit	Form	Incorporated by Reference		Exhibit No.	Filed
			File No.	Filing Date		Herewith
3.01	Constitution of the Registrant (incorporating all amendments as at August 20, 2019)					X
15.01	Letter in lieu of consent of Deloitte & Touche LLP.					X
31.01	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.02	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.01	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema 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
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					

* This exhibit is furnished with this Quarterly Report on Form 10-Q, 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.

SIGNATURES

Pursuant to the requirements 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.

(Registrant)

/s/ REVATHI ADVAITHI

Revathi Advaiti

Chief Executive Officer

(Principal Executive Officer)

Date: October 29, 2019

/s/ CHRISTOPHER E. COLLIER

Christopher E. Collier

Chief Financial Officer

(Principal Financial Officer)

Date: October 29, 2019

THE COMPANIES ACT, CAP. 50

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

of

FLEX LTD.
(formerly known as FLEXTRONICS INTERNATIONAL LTD.)

(Adopted by Special Resolution passed on 24 August 2016)
(Incorporating all amendments as at 20 August 2019)

Incorporated on the 31st day of May 1990

ALLEN & GLEDHILL LLP
One Marina Boulevard #28-00
Singapore 018989

THE COMPANIES ACT, CAP. 50

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

of

FLEX LTD.

(Adopted by Special Resolution passed on 24 August 2016)
(Incorporating all amendments as at 20 August 2019)

INTERPRETATION

1. In this Constitution, if not inconsistent with the subject or context, the words or symbol standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof: Interpretation.

WORDS		MEANINGS
"The Act"	..	The Companies Act, Cap. 50.
"This Constitution"	..	This Constitution as from time to time altered.
"The Company"	..	The above-named Company by whatever name from time to time called.
"Directors"	..	The Directors for the time being of the Company or such number of them as have authority to act for the Company.
"Director"	..	Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an Alternate Director.
"Dividend"	..	Includes bonus.
"Member"	..	A registered holder of any shares of the Company; provided, however, that a "Member" shall not include the Company in the holding of its shares as treasury shares, unless otherwise required by the Act.

"month"	..	Calendar month.
"Office"	..	The Registered Office of the Company for the time being.
"paid up"	..	Includes credited as paid up.
"Register"	..	The Register of Members.
"registered address" or "address"	..	In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
"Seal"	..	The Common Seal of the Company or in appropriate cases the duplicate Common Seal.
"Secretary"	..	The Secretary or Secretaries appointed under this Constitution and shall include any person appointed by the Directors to perform the duties of Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.
"Singapore"	..	The Republic of Singapore.
"Statutes"	..	The Act and every other act for the time being in force concerning companies and affecting the Company.
"writing", "written" and "in writing"	..	Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
"\$"	..	The lawful currency of Singapore.

The expressions "current address", "electronic communication" and "treasury shares" shall have the meanings ascribed to them respectively in the Act.

Words denoting the singular number only shall include the plural and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Any reference in this Constitution to "holders" of shares or a class of shares shall, except where otherwise provided, exclude the Company in relation to shares held by it as treasury shares, and "holding" and "held" shall be construed accordingly.

Any reference in this Constitution to any enactment is a reference to that enactment as amended or enacted from time to time.

Save as aforesaid, any word or expression used in the Act and the Interpretation Act, Cap. 1 shall, if not inconsistent with the subject or context, bear the same meaning in this Constitution.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of this Constitution.

NAME

2. The name of the Company is Flex Ltd. Name.

REGISTERED OFFICE

3. The Office will be situated in the Republic of Singapore. Office.

BUSINESS OR ACTIVITY

4. Subject to the provisions of the Act and any other written law and this Constitution, the Company has: Business or activity.
- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - (b) for these purposes, full rights, powers and privileges.

PUBLIC COMPANY

5. The Company is a public company. Public Company.

LIABILITY OF MEMBERS

6. The liability of Members is limited. Liability of Members.

SHARES

7. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. Treasury Shares.

8. (A) Except as is otherwise expressly permitted by the Act, the Company shall not give, whether directly or indirectly and whether by means of the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise, any financial assistance for the purpose of, or in connection with, the acquisition or proposed acquisition of shares or units of shares in the Company or its holding company. Prohibition against financial assistance.
- (B) Notwithstanding the provisions of article 8(A) but subject to the Act, the Company may purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share that is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. Upon the cancellation of a share, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Company may acquire its own issued shares.
9. The Company may issue shares for which no consideration is payable to the Company. Issue of shares for no consideration.
10. Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to the provisions of this Constitution, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time as the Company in General Meeting may approve. Issue of Shares.
11. The rights attached to shares issued upon special conditions shall be clearly defined in this Constitution. Without prejudice to any special right previously conferred on the holders of any existing shares or class of shares but subject to the Statutes and this Constitution, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors determine. Special Rights.
12. Subject to the provisions of the Act, if at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of at least three-fourths of the shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of that class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall mutatis mutandis apply; provided, however, that the necessary quorum shall be at least two persons holding or representing by proxy or by attorney no less than one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Variation of rights.
13. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith. Creation or issue of further shares with special rights.
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14. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may think fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or by a combination of cash and fully or partly paid shares. Power to pay commission and brokerage.
15. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder. Exclusion of equities.
16. If two or more persons are registered in the Register as joint holders of any share any one of such persons may give effectual receipts for any dividend payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares. Such joint holders shall be deemed to be one Member and the delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. Joint holders.
17. No person shall be recognised by the Company as having title to a fractional part of a share or otherwise than as the sole or a joint holder of the entirety of such share. Fractional part of a share.
18. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. Payment of instalments.
19. The certificate of title to shares in the capital of the Company shall be issued under the Seal or (where required under the Act) the official seal for use abroad, in such form as the Directors shall from time to time prescribe and shall bear (a) the autographic or facsimile signatures of at least one Director and the Secretary or some other person appointed by the Directors where the Seal is affixed, or (b) the autographic or facsimile signature of any person authorised by the Directors where the official seal for use abroad is affixed, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means approved by the Directors. Share Certificates.
20. Every person whose name is entered as a Member in the Register shall be entitled within two months after allotment or within one month after the lodgement of any transfer to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where a Member transfers only part of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding \$2/- for each such new certificate as the Directors may determine. Entitlement to certificate.
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21. If any certificate or other document of title to shares or debentures be worn out or defaced, then upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof. For every certificate so issued there shall be paid to the Company a fee not exceeding \$2/- as the Directors may determine. Subject to the provisions of the Statutes and the requirements of the Directors thereunder, if any certificate or document be lost or destroyed or stolen, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, and on the payment of a fee not exceeding \$2/- as the Directors may determine, a new certificate or document in lieu thereof shall be given to the person entitled to such lost or destroyed or stolen certificate or document.

New certificates may be issued.

RESTRICTION ON TRANSFER OF SHARES

22. (A) Subject to this Constitution, any Member may transfer all or any of his shares, but every transfer must be in writing and in the usual common form, or in any other form which the Directors may approve. The instrument of transfer of a share shall be signed by the transferor and the witness thereto and shall be effective although not signed or witnessed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be comprised in the same instrument of transfer.

Form of Transfer.

(B) All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

Retention of Transfers.

(C) No share shall in any circumstances be transferred to any infant or bankrupt person or person who is mentally disordered and incapable of managing himself or his affairs.

Infant, bankrupt or mentally disordered.

23. The Directors may, in their absolute discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve; provided, however, that as required by the Act the Directors shall, within 30 days beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal.

Directors' power to decline to register.

24. The Directors may decline to register any instrument of transfer unless:

Instrument of transfer.

- (a) such fee not exceeding \$2/- or such other sum as the Directors may from time to time require under the provisions of this Constitution, is paid to the Company in respect thereof;
- (b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person to do the same; and

- (c) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid.

25. The Company shall provide a book to be called "Register of Transfers" which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares. Register of Transfers.

26. The Register may be closed at such times and for such periods not exceeding in the aggregate thirty days in any calendar year as the Directors may from time to time determine. Closure of Register.

TRANSMISSION OF SHARES

27. In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him. Transmission on death.

28. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon producing such evidence of title as the Directors shall require, be registered as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. Transmission of shares.

29. Save as otherwise provided by or in accordance with this Constitution a person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in respect of the share. Rights of unregistered executors and trustees.

30. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding \$2/- as the Directors may from time to time require or prescribe. Fee for registration of probate etc.

CALLS ON SHARES

31. The Directors may from time to time make such calls as they think fit upon the Members in respect of any moneys unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. Calls on shares.
32. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. Time when made.
33. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. Interest on calls.
34. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date, on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. Sum due on allotment.
35. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments. Power to differentiate.
36. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding ten per cent per annum as the Member paying such sum and the Directors agree upon. Payment in advance of calls.

FORFEITURE AND LIEN

37. If any Member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued. Notice requiring payment of calls.
38. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited. Notice to state time and place.
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39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
- Forfeiture on non-compliance with notice.
40. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.
- Sale of shares forfeited.
41. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at ten per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.
- Rights and liabilities of Members whose shares have been forfeited or surrendered.
42. The Company shall have a first and paramount lien and charge on every share (whether fully paid or not) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and to all dividends from time to time declared in respect of the shares. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this article.
- Company's lien.
43. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and of intention to sell in default shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.
- Sale of shares subject to lien.
44. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.
- Application of proceeds of such sales.
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45. A statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate of proprietorship of the share under Seal or as the case may be, official seal for use abroad delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

Title to shares
forfeited or
surrendered or sold to
satisfy a lien.

Rights and privileges
of new shares.

New shares otherwise
subject to provisions
of this Constitution.

Power to consolidate,
subdivide, and
redenominate shares

- (a) consolidate and divide all or any of its shares;
- (b) subdivide its shares or any of them, subject to the provisions of the Act provided, however, that in such sub-division the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (c) subject to the provisions of this Constitution and the Statutes, convert its share capital or any class of shares from one currency to another currency.

Power to convert
shares

Power to reduce capital.

STOCK

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| <p>50. The Company may by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert any stock into paid up shares.</p> | <p>Power to convert into stock.</p> |
| <p>51. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same articles as the shares from which the stock arose might have been transferred prior to conversion or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine.</p> | <p>Transfer of stock.</p> |
| <p>52. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by the number of stock units which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.</p> | <p>Rights of stockholders.</p> |
| <p>53. All of the provisions of this Constitution that are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expressions herein shall include "stock" or "stockholder".</p> | <p>Interpretation.</p> |

GENERAL MEETINGS

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| <p>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.~~</p> | <p>Annual General Meeting.</p> |
| <p>(B) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.</p> | <p>Extraordinary General Meetings.</p> |
| <p>(C) The time and place of any General Meeting shall be determined by the Directors.</p> | <p>Time and place.</p> |
| <p>55. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.</p> | <p>Calling Extraordinary General Meetings.</p> |
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NOTICE OF GENERAL MEETINGS

56. Subject to the provisions of the Act as to Special Resolutions and special notice, at least fourteen days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

Notice of Meetings.

- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary General Meeting by that number or majority in number of the Members having a right to attend and vote thereat, as is required by the Act.

Provided also that the accidental omission to give notice to, or the non-receipt by any person entitled thereto shall not invalidate the proceedings at any General Meeting.

57. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company.

Contents of notice.

(B) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.

(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

Notice of General Meeting for special business and Special Resolutions.

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.
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PROCEEDINGS AT GENERAL MEETINGS

59. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be Members holding in aggregate not less than 33 1/3 per cent of the total number of issued and fully paid shares in the capital of the Company for the time being, present in person or by proxy. For the purpose of this article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Quorum.
60. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within fifteen minutes from the time appointed for holding the Meeting, the Meeting shall be dissolved. No notice of any such adjournment as aforesaid shall be required to be given to the Members. Adjournment if quorum not present.
61. Subject to the provisions of the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a General Meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members. Resolution in writing.
62. The Chairman of the Board of Directors shall preside as chairman at every General Meeting. If there be no such Chairman or if at any Meeting he be not present within fifteen minutes after the time appointed for holding the Meeting or be unwilling to act, the Members present shall choose some Director to be chairman of the Meeting or, if no Director be present or if all the Directors present decline to take the chair, one of their number present, to be chairman of the Meeting. Chairman.
63. The chairman of any General Meeting may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting) adjourn the Meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more (or sine die), notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting. Adjournment.
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64. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded: Method of voting.

- (a) by the chairman of the Meeting;
- (b) by not less than three Members who are entitled to vote at the meeting and who are present in person or by proxy or by attorney or in the case of a corporation by a representative;
- (c) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative and representing not less than five per cent. of the total voting rights of all the Members having the right to vote at the Meeting; or
- (d) by any Member or Members present in person or by proxy or by attorney or in the case of a corporation by a representative, holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent. of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the chairman of the Meeting that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

65. If a poll be duly demanded (and the demand be not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so directed by the Meeting shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll.

66. If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. Votes counted in error.

67. In the case of equality of votes, whether on a show of hands or on a poll, the chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote. Chairman's casting vote.

68. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. Time for taking a poll.

69. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded. Continuance of business after demand for a poll.

VOTES OF MEMBERS

70. Subject to this Constitution and to any special privileges or restrictions as to voting attached to any special class of shares hereinafter issued every Member who is entitled to vote and who is present in person or by proxy or attorney or in the case of a corporation by a representative shall:
- Voting rights of Members.
- (a) on a show of hands, have one vote. Provided always that in the case of a Member who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the chairman of the Meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote on a show of hands; and
- (b) on a poll, have one vote for every share of which he holds or represents.
71. Where there are joint registered holders of any share any one of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto and if more than one of such joint holders be so present at any Meeting that one of such persons so present whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this article be deemed joint holders thereof.
- Voting rights of joint holders.
72. A Member with mental disorder or whose person or estate is liable to be dealt with in any way under the law relating to mental disorders may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time appointed for holding the Meeting.
- Voting rights of Members with mental disorder.
73. Subject to the provisions of this Constitution and the Act, every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.
- Right to vote.
74. No objection shall be raised as to the admissibility of any vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the Meeting whose decision shall be final and conclusive.
- When objection to admissibility of votes may be made.
75. On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- Vote on a poll.
-

76. (A) A Member may appoint more than two proxies to attend and vote at the same General Meeting.

Appointment of proxies.

(B) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(C) An instrument appointing a proxy shall be in writing and:

Execution of Proxies.

(a) in the case of an individual shall be:

- (i) signed by the appointor or by his attorney if the instrument is delivered personally or sent by post; or
- (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(b) in the case of a corporation shall be:

- (i) either under the common seal or signed on its behalf by an attorney or by a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or
- (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of articles 76(C)(a)(ii) and 76(C)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by the use of such procedures shall be deemed not to have been received by the Company.

(D) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to article 78, failing which the instrument may be treated as invalid.

Witness and authority.

(E) The Directors may, in their absolute discretion:

- (a) approve the method and manner for an instrument appointing a proxy to be authorised;
and
- (b) designate the procedure for authenticating an instrument appointing a proxy,

Directors may approve method and manner, and designate procedure, for electronic communications.

as contemplated in articles 76(C)(a)(ii) and 76(C)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), article 76(C)(a)(i) and/or (as the case may be) article 76(C)(b)(i) shall apply.

77. A proxy need not be a Member of the Company.

Proxy need not be a Member.

78. (A) An instrument appointing a proxy or the power of attorney or other authority, if any:

Deposit of proxies.

- (a) if sent personally or by post, shall be deposited at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the Meeting or adjourned Meeting (or, if no place is so specified, at the Office); or
- (b) if submitted by electronic communication, shall be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the Meeting or adjourned Meeting,

and in either case, not less than forty-eight hours before the time appointed for the holding of the Meeting or adjourned Meeting or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned Meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid unless the Directors otherwise determine. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates; Provided always that an instrument of proxy or the power of attorney or other authority, if any, relating to more than one Meeting (including any adjournment thereof) having once been so delivered in accordance with this article 78 for the purposes of any Meeting shall not be required again to be delivered for the purposes of any subsequent Meeting to which it relates.

(B) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 78(A)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), article 78(A)(a) shall apply.

Directors may specify means for electronic communications.

79. An instrument appointing a proxy shall be in the following form with such variations if any as circumstances may require or in such other form as the Directors may accept and shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the Meeting:

Form of proxies.

FLEX LTD.

"I/We,
 "of
 "a Member/Members of the above-named Company hereby appoint
 "of
 "or whom failing
 "of
 "to vote for me/us and on my/our behalf
 "at the (Annual, Extraordinary or Adjourned,
 "as the case may be) General Meeting of
 "the Company to be held on the day
 "of and at every adjournment
 "thereof.

 "As Witness my hand this day of
 "20 ."

An instrument appointing a proxy shall, unless the contrary is stated thereon be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.

80. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided always that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

Intervening death or mental disorder of principal not to revoke proxy.

81. Any corporation that is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for purposes of this Constitution (but subject to the Act) be deemed to be present in person at any such Meeting if the person so authorised is present thereat.

Corporations acting by representatives.

DIRECTORS

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.

83. A Director need not be a Member and shall not be required to hold any share qualification unless and until otherwise determined by the Company in General Meeting but shall be entitled to attend and speak at General Meetings.	Qualification.
84. Subject to Section 169 of the Act, the remuneration of the Directors shall be determined from time to time by the Company in General Meeting, and shall be divisible among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for the proportion of remuneration related to the period during which he has held office.	Remuneration of Directors.
85. The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.	Travelling expenses.
86. Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may, subject to Section 169 of the Act, be paid such extra remuneration as the Directors may determine.	Extra Remuneration.
87. (A) Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on and to such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the Act, no Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.	Power of Directors to hold office of profit and to contract with Company.
(B) Every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in transactions or proposed transactions with the Company or of any office held or property possessed by a Director which might create duties or interests in conflict with his duties or interests as a Director. Subject to such disclosure as required under the Act, a Director shall be entitled to vote in respect of any transaction or proposed transaction in which he is interested and he shall be taken into account in ascertaining whether a quorum is present.	Directors to observe Section 156 of the Act.
(C) Where applicable, the provisions of this article 87 shall apply mutatis mutandis to the Chief Executive Officer of the Company.	
88. (A) A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company.	Holding of office in other companies.

(B) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

Directors may exercise voting power conferred by Company's shares in another company.

CHIEF EXECUTIVE OFFICERS

89. The Directors may from time to time appoint one or more of their body to be Chief Executive Officer or Chief Executive Officers (or the equivalent position or positions) of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places.

Appointment of the Chief Executive Officer.

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.

91. Subject to Section 169 of the Act, the remuneration of a Chief Executive Officer (or a person holding an equivalent position) shall from time to time be fixed by the Directors and may, subject to this Constitution, be by way of salary or commission or participation in profits or by any or all of such modes.

Remuneration of the Chief Executive Officer.

92. The Directors may from time to time entrust to and confer upon a Chief Executive Officer (or a person holding an equivalent position) for the time being such of the powers exercisable under this Constitution by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Powers of the Chief Executive Officer.

VACATION OF OFFICE OF DIRECTORS

93. The office of a Director shall be vacated in any one of the following events, namely:
- Vacation of office of Director.
- (a) if he becomes prohibited from being a Director by reason of any order made under the Act;
 - (b) if he ceases to be a Director by virtue of any of the provisions of the Act or this Constitution;
 - (c) subject to Section 145 of the Act, if he resigns by writing under his hand left at the Office;
 - (d) if he shall have a bankruptcy order made against him or if he shall make any arrangement or composition with his creditors generally;
 - (e) if he becomes mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
 - (f) if he be absent from meetings of the Directors for a continuous period of six months without leave from the Directors and the Directors resolve that his office be vacated.
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.~~
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.
-

96. The Company at the Meeting at which a Director retires under any provision of this Constitution may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases: Filling vacated office.

- (a) where at such Meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the Meeting and lost;
- (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where the default is due to the moving of a resolution in contravention of article 98.

The retirement shall not have effect until the conclusion of the Meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the Meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

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.

98. At any General Meeting of the Company, a motion for the appointment of two or more persons as Directors by a single resolution shall not be made unless a resolution that it shall be so moved has first been agreed to by the Meeting without any vote being given against it, and any resolution passed in contravention of this provision shall be void. Appointment of two or more persons as Directors.

99. Subject to the Act, no person other than a Director retiring at the General Meeting shall, unless recommended for election by the Directors, be eligible for appointment as a Director at any General Meeting unless a Member shall lodge at the Office a written notice of the proposed nomination not less than 45 days (exclusive of the date on which the notice is given) prior to the first anniversary of the date on which the Company first mailed its proxy statement for the prior year's Annual General Meeting. Such notice shall set forth (a) as to each person whom the Member proposes to nominate for election or re-election as a Director, all information relating to such person that may be required to be disclosed under applicable laws governing the Company's solicitations for proxies for election of Directors (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); and (b) as to the Member giving the notice, all information relating to such Member that may be required to be disclosed under applicable laws governing the Company's solicitations of proxies for election of Directors (including such person's name and address, as they appear on the Register of Members of the Company). The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a Director. Notwithstanding the foregoing, in the case of a person recommended by the Directors for election, seven clear days' notice only shall be necessary.

Notice of intention to appoint Director.

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.

ALTERNATE DIRECTORS

101. (A) Any Director may at any time by writing under his hand and deposited at the Office or delivered at a meeting of the Directors appoint any person to be his Alternate Director and may in like manner at any time terminate such appointment.

Appointment of Alternate Directors.

(B) A Director or any other person may act as an Alternate Director to represent more than one Director and such Alternate Director shall be entitled at Directors' meetings to one vote for every Director whom he represents in addition to his own vote if he is a Director.

Voting and Capacity.

(C) The appointment of an Alternate Director shall ipso facto determine on the happening of any event which if he were a Director would render his office as a Director to be vacated and his appointment shall also determine ipso facto if his appointor ceases for any reason to be a Director.

Determination of appointment of Alternate Directors.

(D) An Alternate Director shall be entitled to receive notices of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally, if his appointor is absent from Singapore or is otherwise unable to act as such Director, to perform all functions of his appointment as a Director (except the power to appoint an Alternate Director) and to sign any resolution in accordance with the provisions of article 107.

Powers of Alternate Directors.

(E) An Alternate Director shall not be taken into account in reckoning the minimum or maximum number of Directors allowed for the time being under this Constitution but he shall be counted for the purpose of reckoning whether a quorum is present at any meeting of the Directors attended by him at which he is entitled to vote. Provided, however, that he shall not constitute a quorum under article 104 if he is the only person present at the meeting notwithstanding that he may be an Alternate to more than one Director.

Quorum.

(F) An Alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company.

Alternate Directors' remuneration.

(G) An Alternate Director shall not be required to hold any share qualification.

No share qualification.

PROCEEDINGS OF DIRECTORS

102. (A) The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit. Subject to the provisions of this Constitution questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote.

Meetings of Directors.

(B) The Directors may hold or participate in a meeting of the Directors by means of a conference telephone or a video conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and be heard by all other participants at the same time. Such participation shall constitute presence in person. Any such meeting shall be deemed to be held at the place where the person taking the minutes of the meeting is situated or at such place otherwise agreed upon by the Directors attending such meeting, provided that at least one of the Directors present at the meeting was at such place otherwise agreed upon for the duration of the meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum under this Constitution, all resolutions agreed to by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held.

Participation in a meeting by conference telephone or video conference telephone.

(C) In the case of a meeting which is not held in person, the fact that a Director is taking part in the meeting must be made known to all the other Directors taking part and no Director may disconnect or cease to take part in the meeting unless he makes known to all other Directors taking part that he is ceasing to take part in the meeting.

103. A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors.

Convening meetings of Directors.

104. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors.

Quorum.

105. The continuing Directors may act notwithstanding any vacancies but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with this Constitution the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings of the Company but not for any other purpose. If there be no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.
106. The Directors may from time to time elect from their number a Chairman and if desired a Deputy Chairman and determine the period for which he is or they are to hold office. The Deputy Chairman will perform the duties of the Chairman during the Chairman's absence for any reason. The Chairman and in his absence the Deputy Chairman shall preside as Chairman at meetings of the Directors but if no such Chairman or Deputy Chairman be elected or if at any meeting the Chairman and the Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of such meeting.
107. A resolution in writing signed by all the Directors for the time being and being not less than are sufficient to form a quorum shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Provided, however, that, when a Director has appointed an Alternate Director, the Director or (in lieu of the Director) his Alternate may sign. The expressions "in writing" and "signed" include approval by any such Director by telefax or any form of electronic communication approved by the Directors for such purpose from time to time, which incorporates, as the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.
108. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Directors.
109. The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of this Constitution regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding article.
110. All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall, as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

Proceedings in case of vacancies.

Chairman and Deputy Chairman.

Resolutions in writing.

Power to appoint committees.

Proceedings at committee meetings.

Validity of acts of Directors in spite of some formal defect.

GENERAL POWERS OF THE DIRECTORS

111. The business of the Company shall be managed by, or under the direction or supervision of the Directors who (in addition to the powers and authorities by this Constitution or otherwise expressly conferred upon them) may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act expressly directed or required to be exercised or done by the Company in General Meeting and in particular and without prejudice to the generality of the foregoing the Directors may at their discretion exercise every borrowing power vested in the Company by this Constitution or permitted by law together with collateral power of hypothecating the assets of the Company including any uncalled or called but unpaid capital; provided, however, that the Directors shall not carry into effect any proposals for disposing of the whole or substantially the whole of the Company's undertaking or property unless those proposals have been approved by the Company in General Meeting.

General powers of Directors to manage Company's business.

112. (A) The Directors may from time to time by power of attorney under the Seal or as the case may be, the official seal for use abroad appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him.

Power to appoint attorneys.

(B) The Company or the Directors on behalf of the Company may in exercise of the powers in that behalf conferred by the Act cause to be kept a Branch Register or Registers of Members and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit in respect of the keeping of any such Branch Register.

Registers.

113. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by Resolution determine.

Cheques, etc.

BORROWING POWERS

114. Subject as hereinafter provided and to the provisions of the Act, the Directors may borrow or raise money from time to time for the purpose of the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures or otherwise as they may think fit.

Directors' borrowing powers.

SECRETARY

115. The Secretary or Secretaries shall and a Deputy or Assistant Secretary or Secretaries may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary or Secretaries shall not conflict with the provisions of the Act and in particular Section 171 thereof. Secretary.

SEAL

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.

AUTHENTICATION OF DOCUMENTS

117. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the Constitution of the Company and any resolutions passed by the Company or the Directors, and any books, records, documents, accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents, accounts or financial statements are elsewhere than at the Office, the local manager and other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Power to authenticate documents.

118. A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of Directors which is certified as such in accordance with the provisions of the last preceding article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors. Certified copies of resolution of the Directors.

DIVIDENDS

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|---|---|
| <p>119. The Company may by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.</p> | <p>Declaration of dividends.</p> |
| <p>120. Subject to the rights of holders of shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> | <p>Apportionment of dividends.</p> |
| <p>121. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit.</p> | <p>Payment of preference and interim dividends.</p> |
| <p>122. No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.</p> | <p>Dividends not to bear interest.</p> |
| <p>123. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith.</p> | <p>Deduction of debts due to Company.</p> |
| <p>124. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect subject of which the lien exists.</p> | <p>Retention of dividends on shares subject to lien.</p> |
| <p>125. The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.</p> | <p>Retention of dividends on shares pending transmission.</p> |
| <p>126. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.</p> | <p>Unclaimed dividends or other moneys.</p> |
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127. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways; and the Directors shall give effect to such Resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they deem expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as the Directors may deem expedient.

Payment of dividend in specie.

128. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder to any one of such persons or to such persons and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Dividends payable by cheque.

129. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.

Effect of transfer.

RESERVES

130. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

Power to carry profit to reserve.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

131. The Company may, upon the recommendation of the Directors, by Ordinary Resolution:

Power to issue free bonus shares and/or to capitalise reserves.

- (a) issue bonus shares, for which no consideration is payable to the Company, to the Members holding shares in the Company in proportion to their then holdings of shares; and/or
- (b) capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution, provided that such sum is not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members holding shares in the Company in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or in paying up in full new shares or debentures of the Company, such shares or debentures to be allotted and distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in one way and partly in the other.

132. Whenever such a resolution as aforesaid shall have been passed, the Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members.

Power of Directors to give effect to bonus issues and/or capitalisations.

MINUTES AND BOOKS

133. The Directors shall cause minutes to be made in books to be provided for the purpose: Minutes.
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and
 - (c) of all resolutions and proceedings at all Meetings of the Company and of any class of Members, of the Directors and of committees of Directors.
134. The Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges, created by or affecting property of the Company, in regard to keeping the Register, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings and in regard to the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company. Keeping of Registers, etc.
135. Any register, index, minute book, book of accounts or other book required by this Constitution or by the Act to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery. Form of registers, etc.
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FINANCIAL STATEMENTS

136. The Directors shall cause to be kept such accounting and other records as are necessary to comply with the provisions of the Act and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited. Directors to keep proper accounts.
137. Subject to the provisions of Section 199 of the Act, the books of accounts shall be kept at the Office or at such other place or places as the Directors think fit within Singapore. No Member (other than a Director) shall have any right of inspecting any account or book or document or other recording of the Company except as is conferred by law or authorised by the Directors or by an Ordinary Resolution of the Company. Location and inspection.
138. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such financial statements, balance sheets, reports, statements and other documents as may be necessary. Presentation of financial statements.
139. A copy of the financial statements and, if required, the balance sheet (including every document required by law to be attached thereto), which is duly audited and which is to be laid before the Company in General Meeting accompanied by a copy of the Auditor's report thereon, shall not less than fourteen days before the date of the Meeting be sent to every Member of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or under this Constitution. Provided always that this article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of a holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. Copies of financial statements.

AUDITORS

140. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act. Every Auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act. Appointment of Auditors.
141. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. Validity of acts of Auditors.
142. The Auditors shall be entitled to attend any General Meeting and to receive all notices and other communications relating to any General Meeting to which any Member is entitled and to be heard at any General Meeting on any part of the business of the Meeting which concerns them as Auditors. Auditors entitled to attend General Meetings.
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NOTICES

143. (A) Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid cover addressed to such Member at his registered address appearing in the Register of Members. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. Service of notice.

(B) Without prejudice to the provisions of article 143(A), but subject otherwise to the Act and any regulations made thereunder relating to electronic communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or by the Directors, to a Member may be given, sent or served using electronic communications: Electronic communications.

(a) to the current address of that person; or

(b) by making it available on a website prescribed by the Company from time to time,

in accordance with the provisions of this Constitution, and/or any other applicable regulations or procedures.

(C) For the purposes of article 143(B) above, a Member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document. Implied consent.

(D) Notwithstanding article 143(C) above, the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document. Deemed consent.

(E) Where a notice or document is given, sent or served by electronic communications:

When notice given by electronic communications deemed served.

- (a) to the current address of a person pursuant to article 143(B)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and
- (b) by making it available on a website pursuant to article 143(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under the Act and/or any other applicable regulations or procedures.

(F) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to article 143(B)(b), the Company shall give separate notice to the Member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:

Notice to be given of service on website.

- (a) by sending such separate notice to the Member personally or through the post pursuant to article 143(A); and/or
- (b) by sending such separate notice to the Member using electronic communications to his current address pursuant to article 143(B)(a).

(G) Notwithstanding this article 143, if the Company has a registered class of security under Section 12 of the United States Securities Exchange Act of 1934, as amended, any manner of furnishing notices and documents using electronic communications must comply with applicable rules of the United States Securities and Exchange Commission, including Rule 14a-16 under the United States Securities Exchange Act of 1934.

144. All notices and documents (including a share certificate) with respect to any shares to which persons are jointly entitled shall be given to whichever of such persons is named first on the Register and notice so given shall be sufficient notice to all the holders of such shares.

Service of notices in respect of joint holders.

145. Subject to article 143(B), any Member with a registered address shall be entitled to have served upon him at such address any notice to which he is entitled under this Constitution.

Members shall be served at registered address.

146. A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying to the Company also an address for the service of notice, shall be entitled to have served upon or delivered to him at such address any notice or document to which the Member but for his death or bankruptcy or otherwise would be entitled and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any Member or given, sent or served to any Member using electronic communications in pursuance of this Constitution shall (notwithstanding that such Member be then dead or bankrupt or otherwise not entitled to such share and whether or not the Company have notice of the same) be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or first-named joint holder.

Service of notices after death, bankruptcy etc.

147. Any notice on behalf of the Company or of the Directors shall be deemed effectual if it purports to bear the signature of the Secretary or other duly authorised officer of the Company, whether such signature is printed or written.

Signature on notice.

148. When a given number of days' notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided or required by this Constitution or by the Act, not be counted in such number of days or period.

Day of service not counted.

149. (A) Notice of every General Meeting shall be given in the manner hereinbefore authorised to:

Persons entitled to receive notice of General Meeting.

- (a) every Member;
- (b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the Meeting; and
- (c) the Auditor for the time being of the Company.

(B) No other person shall be entitled to receive notices of General Meetings.

150. The provisions of articles 143, 147 and 148 shall apply mutatis mutandis to notices of meetings of Directors or any committee of Directors.

Notice of meetings of Directors or any committee of Directors.

WINDING UP

151. If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability.

Distribution of assets in specie.

INDEMNITY

152. Subject to the provisions of and so far as may be permitted by the Act and the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties (including, without limitation, where he serves at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise) or in relation thereto. Without prejudice to the generality of the foregoing, no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

Indemnity of Directors and officers.

SECRECY

153. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law.

Secrecy.

PERSONAL DATA

154. (A) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:

Personal data of Members.

- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
 - (b) internal analysis and/or market research by the Company (or its agents or service providers);
 - (c) investor relations communications by the Company (or its agents or service providers);
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- (d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;
- (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
- (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
- (g) implementation and administration of, and compliance with, any provision of this Constitution;
- (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
- (i) purposes which are reasonably related to any of the above purposes.

Personal data of
proxies and/or
representatives.

(B) Any Member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in articles 154(A)(f) and 154(A)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Member's breach of warranty.

WE, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	Number of shares taken by each Subscriber.
Sgd. LUCIEN WONG YUEN KUAI 39 Chancery Lane, #01-13, Villa Chancery, Singapore 1130. Advocate & Solicitor	ONE ORDINARY SHARE
TOTAL NUMBER OF SHARES TAKEN	ONE ORDINARY SHARE
	c/f.. ONE ORDINARY SHARE

Dated this 31st day of May 1990.

Witness to the above signature:

Sgd. JUNE LOW FUI SIAN
 Advocate & Solicitor,
 c/o Allen & Gledhill,
 Advocates & Solicitors,
 36 Robinson Road,
 #18-01 City House,
 Singapore 0106.

WE, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	Number of shares taken by each Subscriber.
Sgd. CHOO WAI HONG 21 Stevens Drive, #03-21 Robin Heights, Singapore 1025. Advocate & Solicitor	b/f.. ONE ORDINARY SHARE ONE ORDINARY SHARE
TOTAL NUMBER OF SHARES TAKEN	TWO ORDINARY SHARE

Dated this 31st day of May 1990.

Witness to the above signature:

Sgd. JUNE LOW FUI SIAN
Advocate & Solicitor,
c/o Allen & Gledhill,
Advocates & Solicitors,
36 Robinson Road,
#18-01 City House,
Singapore 0106.

LETTER IN LIEU OF CONSENT OF DELOITTE & TOUCHE LLP

October 29, 2019

Flex Ltd.
2 Changi South Lane
Singapore 486123

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Flex Ltd. and subsidiaries for the three-month and six-month periods ended September 27, 2019 and September 28, 2018, as indicated in our report dated October 29, 2019; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended September 27, 2019, is incorporated by reference in Registration Statement No. 333-222773 on Form S-3ASR, and Registration Statement Nos. 333-220002, 333-212267, 333-207325, and 333-170710 on Form S-8.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP

San Jose, California

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Revathi Advaiti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Flex Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2019

/s/ Revathi Advaiti

Revathi Advaiti

Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher E. Collier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Flex Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2019

/s/ Christopher E. Collier

Christopher E. Collier
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

We, Revathi Advaiti and Christopher E. Collier, Chief Executive Officer and Chief Financial Officer, respectively, of Flex Ltd. (the “Company”), hereby certify, to the best of our knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Quarterly Report on Form 10-Q of the Company for the period ended September 27, 2019, as filed with the Securities and Exchange Commission (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to Flex Ltd. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.

Date: October 29, 2019

/s/ Revathi Advaiti

Revathi Advaiti
Chief Executive Officer
(Principal Executive Officer)

Date: October 29, 2019

/s/ Christopher E. Collier

Christopher E. Collier
Chief Financial Officer
(Principal Financial Officer)