

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 June 26, 2020

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)

2 Changi South Lane,

Singapore

(Address of registrant’s principal executive offices)

Not Applicable

(I.R.S. Employer Identification No.)

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 July 29, 2020 was 500,888,523.

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 June 26, 2020, the related condensed consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for the three-month periods ended June 26, 2020 and June 28, 2019, 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, 2020 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 28, 2020, 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, 2020 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

August 4, 2020

FLEX LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of June 26, 2020	As of March 31, 2020
	(In thousands, except share amounts)	
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,935,081	\$ 1,922,686
Accounts receivable, net of allowance of \$95,406 and \$95,930, respectively	3,280,837	2,435,982
Contract assets	306,198	282,444
Inventories	3,483,475	3,785,073
Other current assets	556,786	660,085
Total current assets	9,562,377	9,086,270
Property and equipment, net	2,162,715	2,215,991
Operating lease right-of-use assets, net	611,047	605,070
Goodwill	1,074,604	1,064,553
Other intangible assets, net	250,455	262,418
Other assets	471,870	455,315
Total assets	\$ 14,133,068	\$ 13,689,617
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	\$ 162,287	\$ 149,130
Accounts payable	4,595,409	5,108,251
Accrued payroll	390,544	363,644
Other current liabilities	1,647,011	1,590,060
Total current liabilities	6,795,251	7,211,085
Long-term debt, net of current portion	3,423,162	2,689,109
Operating lease liabilities, non-current	539,441	528,967
Other liabilities	435,609	429,303
Shareholders' equity		
Ordinary shares, no par value; 550,585,570 and 547,665,632 issued, and 500,346,215 and 497,426,277 outstanding, respectively	6,349,267	6,336,445
Treasury stock, at cost; 50,239,355 shares as of June 26, 2020 and March 31, 2020	(388,215)	(388,215)
Accumulated deficit	(2,850,590)	(2,902,410)
Accumulated other comprehensive loss	(170,857)	(214,667)
Total shareholders' equity	2,939,605	2,831,153
Total liabilities and shareholders' equity	\$ 14,133,068	\$ 13,689,617

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three-Month Periods Ended	
	June 26, 2020	June 28, 2019
	(In thousands, except per share amounts) (Unaudited)	
Net sales	\$ 5,153,333	\$ 6,175,939
Cost of sales	4,840,114	5,775,775
Restructuring charges	9,666	47,405
Gross profit	303,553	352,759
Selling, general and administrative expenses	190,721	209,624
Intangible amortization	15,176	17,082
Restructuring charges	16	8,787
Interest and other, net	30,257	53,157
Income before income taxes	67,383	64,109
Provision for income taxes	15,563	19,237
Net income	\$ 51,820	\$ 44,872
Earnings per share:		
Basic	\$ 0.10	\$ 0.09
Diluted	\$ 0.10	\$ 0.09
Weighted-average shares used in computing per share amounts:		
Basic	497,920	514,238
Diluted	501,632	517,550

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

FLEX LTD.**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Three-Month Periods Ended	
	June 26, 2020	June 28, 2019
	(In thousands) (Unaudited)	
Net income	\$ 51,820	\$ 44,872
Other comprehensive income:		
Foreign currency translation adjustments, net of zero tax	14,050	4,404
Unrealized gain (loss) on derivative instruments and other, net of zero tax	29,760	(5,475)
Comprehensive income	<u>\$ 95,630</u>	<u>\$ 43,801</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 Deficit	Accumulated Other Comprehensive Loss			Total
	Shares Outstanding	Amount		Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Shareholders' Equity
Three Months Ended June 26, 2020							
				(In thousands) Unaudited			
BALANCE AT MARCH 31, 2020	497,426	\$ 5,948,230	\$ (2,902,410)	\$ (81,663)	\$ (133,004)	\$ (214,667)	\$ 2,831,153
Exercise of stock options	89	53	—	—	—	—	53
Issuance of Flex Ltd. vested shares under restricted share unit awards	2,831	—	—	—	—	—	—
Net income	—	—	51,820	—	—	—	51,820
Stock-based compensation, net of tax	—	12,769	—	—	—	—	12,769
Total other comprehensive income	—	—	—	29,760	14,050	43,810	43,810
BALANCE AT JUNE 26, 2020	500,346	\$ 5,961,052	\$ (2,850,590)	\$ (51,903)	\$ (118,954)	\$ (170,857)	\$ 2,939,605

	Ordinary Shares		Accumulated Deficit	Accumulated Other Comprehensive Loss			Total
	Shares Outstanding	Amount		Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Shareholders' Equity
Three Months Ended June 28, 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	(5,025)	(51,999)	—	—	—	—	(51,999)
Exercise of stock options	117	403	—	—	—	—	403
Issuance of Flex Ltd. vested shares under restricted share unit awards	2,399	—	—	—	—	—	—
Net income	—	—	44,872	—	—	—	44,872
Stock-based compensation, net of tax	—	15,227	—	—	—	—	15,227
Cumulative effect on opening equity of adopting accounting standards	—	—	22,023	—	—	—	22,023
Total other comprehensive income (loss)	—	—	—	(5,475)	4,404	(1,071)	(1,071)
BALANCE AT JUNE 28, 2019	514,039	\$ 6,099,166	\$ (2,945,117)	\$ (47,031)	\$ (105,203)	\$ (152,234)	\$ 3,001,815

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three-Month Periods Ended	
	June 26, 2020	June 28, 2019
	(In thousands) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 51,820	\$ 44,872
Depreciation, amortization and other impairment charges	156,215	190,163
Changes in working capital and other, net	(837,425)	(891,901)
Net cash used in operating activities	(629,390)	(656,866)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(110,259)	(162,115)
Proceeds from the disposition of property and equipment	7,853	38,901
Cash collections of deferred purchase price	—	899,260
Other investing activities, net	2,027	(920)
Net cash (used in) provided by investing activities	(100,379)	775,126
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings and long-term debt	1,247,835	771,533
Repayments of bank borrowings and long-term debt	(510,554)	(601,240)
Payments for repurchases of ordinary shares	—	(51,999)
Other financing activities, net	3,513	(11,979)
Net cash provided by financing activities	740,794	106,315
Effect of exchange rates on cash and cash equivalents	1,370	(749)
Net increase in cash and cash equivalents	12,395	223,826
Cash and cash equivalents, beginning of period	1,922,686	1,696,625
Cash and cash equivalents, end of period	\$ 1,935,081	\$ 1,920,451
Non-cash investing activities:		
Unpaid purchases of property and equipment	\$ 34,909	\$ 78,663

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 the manufacturing partner of choice that helps a diverse customer base design and build products that improve the world. Through the collective strength of a global workforce across approximately 30 countries and responsible, sustainable operations, the Company delivers technology innovation, supply chain, and manufacturing solutions to diverse industries and end markets. In the first quarter of fiscal year 2021, the Company made certain changes in its organizational structure as part of its strategy to further drive growth and productivity with two focused delivery models. As a result, beginning in the first quarter of fiscal year 2021, the Company reports its financial performance based on two operating and reportable segments:

- Flex Agility Solutions ("FAS"), which is comprised of the following end markets:
 - *Consumer Devices*, including mobile and high velocity consumer devices;
 - *Lifestyle*, including appliances, consumer packaging, floorcare, micro mobility and audio; and
 - *Communications, Enterprise and Cloud ("CEC")*, including data infrastructure, edge infrastructure and communication infrastructure.
- Flex Reliability Solutions ("FRS"), which is comprised of the following end markets:
 - *Automotive*, including autonomous, connectivity, electrification, and smart technologies;
 - *Health Solutions*, including medical devices, medical equipment and drug delivery; and
 - *Industrial*, including capital equipment, industrial devices, renewable and grid edge, and power systems.

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), 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, 2020 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-month periods ended June 26, 2020 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2021.

The first quarters for fiscal years 2021 and 2020 ended on June 26, 2020, which is comprised of 87 days in the period, and June 28, 2019, which is comprised of 89 days in the period, respectively.

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.

The changes to the Company's organizational structure noted above had no impact to the condensed consolidated financial statements. For comparability purposes, segment reporting for prior periods have been restated to conform to the current

presentation. Refer to note 14, “Segments Reporting,” for additional information on the changes in operating and reportable segments.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things: allowances for doubtful accounts; inventory write-downs; valuation allowances for deferred tax assets; uncertain tax positions; valuation and useful lives of long-lived assets including property, equipment, intangible assets and goodwill; valuation of investments in privately held companies; asset impairments; fair values of financial instruments including highly liquid investments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; incremental borrowing rate in determining the present value of lease payments; accruals for potential price adjustments arising from customer contracts; fair values of assets obtained and liabilities assumed in business combinations; and the fair values of stock options and restricted share unit awards granted under the Company's stock-based compensation plans. Due to the COVID-19 pandemic, there has been and will continue to be uncertainty and disruption in the global economy and financial markets. The Company has made estimates and assumptions taking into consideration certain possible impacts due to COVID-19. These estimates may change, as new events occur, and additional information is obtained. Actual results may differ from previously estimated amounts, and such differences may be material to the condensed consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur.

Recently Adopted Accounting Pronouncement

In March 2020, the FASB issued ASU 2020-04 "Facilitation of the Effects of Reference Rate Reform on Financial Reporting", which temporarily simplifies the accounting for contract modifications, including hedging relationships, due to the transition from LIBOR and other interbank offered rates to alternative reference interest rates. For example, entities can elect not to remeasure the contracts at the modification date or reassess a previous accounting determination if certain conditions are met. Additionally, entities can elect to continue applying hedge accounting for hedging relationships affected by reference rate reform if certain conditions are met. The Company adopted the guidance during the first quarter of fiscal year 2021 with an immaterial impact on its consolidated financial statements.

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, ASU 2019-05, ASU 2019-10, and ASU 2019-11, 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 Company adopted the guidance during the first quarter of fiscal year 2021 with an immaterial impact on its consolidated financial statements.

Recently Issued Accounting Pronouncements

In January 2020, the FASB issued ASU 2020-01 "Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions Between Topic 321, Topic 323, and Topic 815 — a consensus of the FASB Emerging Issues Task Force", which makes improvements related to the following two topics: (1) accounting for certain equity securities when the equity method of accounting is applied or discontinued, and (2) scope considerations related to forward contracts and purchased options on certain securities. The guidance is effective for the Company beginning in the first quarter of fiscal year 2022 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2022.

In December 2019, the FASB issued ASU 2019-12 "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes", which removes certain exceptions for recognizing deferred taxes for investments, performing intra-period allocation and calculating income taxes in interim periods. The ASU also adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. The guidance is effective for the Company beginning in the first quarter of fiscal year 2022 with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2022.

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 June 26, 2020	As of March 31, 2020
	(In thousands)	
Raw materials	\$ 2,626,618	\$ 2,835,582
Work-in-progress	336,469	373,513
Finished goods	520,388	575,978
	<u>\$ 3,483,475</u>	<u>\$ 3,785,073</u>

Goodwill and Other Intangible Assets

In accordance with accounting guidance on goodwill and other intangible assets, the Company evaluates goodwill for impairment at the reporting unit level annually, and in certain circumstances such as a change in reporting units or whenever there are indications that goodwill might be impaired. As described in note 1, the Company made certain changes in its organizational structure during the first quarter of fiscal year 2021 as part of its strategy to further drive growth and productivity through two separate delivery models that represent reportable segments, FAS and FRS. With these changes, the Company also revised its reporting units. Accordingly, the Company completed an interim test as of April 1, 2020. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit, which typically is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. These approaches use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy and require management to make various judgmental assumptions about sales, operating margins, growth rates and discount rates which consider the Company's budgets, business plans and economic projections, and are believed to reflect market participant views. Some of the inherent estimates and assumptions used in determining fair value of the reporting units are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDA comparables and credit ratings. While the Company believes it has made reasonable estimates and assumptions to calculate the fair value of the reporting units, it is possible a material change could occur. If the actual results are not consistent with management's estimates and assumptions used to calculate fair value, it could result in material impairments of the Company's goodwill.

Based on the latest assessment of its goodwill as of April 1, 2020, the Company determined that no impairment existed as of the date of the impairment test, because the fair value of each one of its reporting units exceeds its respective carrying value. In addition, goodwill was reallocated among each of the Company's six reporting units based on each reporting unit's relative fair value as of April 1, 2020. The following table summarizes the goodwill allocation as of April 1, 2020 and the activity during the three-month period ended June 26, 2020:

	FAS			FRS			
	Communications, Enterprise and Cloud	Lifestyle	Consumer Devices	Automotive	Health Solutions	Industrial	Total
	(In thousands)						
Balance at April 1, 2020	\$ 188,179	\$ 130,705	\$ 50,328	\$ 174,123	\$ 192,498	\$ 328,720	\$ 1,064,553
Foreign currency translation adjustments	—	—	—	9,231	820	—	10,051
Balance at June 26, 2020	<u>\$ 188,179</u>	<u>\$ 130,705</u>	<u>\$ 50,328</u>	<u>\$ 183,354</u>	<u>\$ 193,318</u>	<u>\$ 328,720</u>	<u>\$ 1,074,604</u>

The components of acquired intangible assets are as follows:

	As of June 26, 2020			As of March 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets:						
Customer-related intangibles	\$ 276,087	\$ (135,299)	\$ 140,788	\$ 275,678	\$ (128,155)	\$ 147,523
Licenses and other intangibles	248,966	(139,299)	109,667	244,917	(130,022)	114,895
Total	<u>\$ 525,053</u>	<u>\$ (274,598)</u>	<u>\$ 250,455</u>	<u>\$ 520,595</u>	<u>\$ (258,177)</u>	<u>\$ 262,418</u>

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)
2021 (1)	\$ 45,161
2022	52,100
2023	44,375
2024	42,820
2025	37,836
Thereafter	28,163
Total amortization expense	<u>\$ 250,455</u>

(1) Represents estimated amortization for the remaining fiscal nine-month period ending March 31, 2021.

Other Current Liabilities

Other current liabilities include customer working capital advances of \$325.7 million and \$264.2 million, and customer-related accruals of \$231.3 million and \$195.1 million, as of June 26, 2020 and March 31, 2020, 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. Current operating lease liabilities were \$116.1 million and \$114.1 million as of June 26, 2020 and March 31, 2020.

3. REVENUE

Revenue Recognition

The Company provides a comprehensive suite of services for its customers that range from advanced product design to manufacturing and logistics to after-sales services. The first step in its process for revenue recognition is to identify a contract with a customer. A contract is defined as an agreement between two parties that 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 addendum, 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, identified as deferred revenue, were \$362.1 million and \$361.5 million as of June 26, 2020 and March 31, 2020, 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-month periods ended June 26, 2020 and June 28, 2019 (in thousands), respectively.

	Three-Month Period Ended June 26, 2020		
	FAS	FRS	Total
Timing of Transfer			
Point in time	\$ 2,445,663	\$ 1,323,523	\$ 3,769,186
Over time	466,367	917,780	1,384,147
Total segment	\$ 2,912,030	\$ 2,241,303	\$ 5,153,333

	Three-Month Period Ended June 28, 2019		
	FAS	FRS	Total
Timing of Transfer			
Point in time	\$ 2,969,333	\$ 1,453,444	\$ 4,422,777
Over time	938,843	814,319	1,753,162
Total segment	\$ 3,908,176	\$ 2,267,763	\$ 6,175,939

4. 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	
	June 26, 2020	June 28, 2019
	(In thousands)	
Cost of sales	\$ 4,006	\$ 2,940
Selling, general and administrative expenses	8,763	12,287
Total share-based compensation expense	\$ 12,769	\$ 15,227

Total unrecognized compensation expense related to share options under all plans as well as the number of options outstanding and exercisable were immaterial as of June 26, 2020.

During the three-month period ended June 26, 2020, the Company granted 10.2 million unvested restricted share unit ("RSU") awards. Of this amount, approximately 8.8 million are plain-vanilla unvested RSU awards that vest over a period of three to four years, with no performance or market conditions, and with an average grant date price of \$10.25 per award. Further, approximately 1.4 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 \$15.02 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 2.8 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 June 26, 2020, approximately 22.5 million unvested RSU awards under all plans were outstanding, of which vesting for a targeted amount of 4.5 million awards is contingent primarily on meeting certain market conditions. The number of shares that will ultimately be issued can range from zero to 9.0 million based on the achievement levels of the respective conditions. No shares are expected to vest in connection with the awards with market conditions granted in fiscal year 2018.

As of June 26, 2020, total unrecognized compensation expense related to unvested RSU awards under all plans was approximately \$203.3 million, and will be recognized over a weighted-average remaining vesting period of 2.4 years.

5. EARNINGS 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	
	June 26, 2020	June 28, 2019
	(In thousands, except per share amounts)	
Basic earnings per share:		
Net income	\$ 51,820	\$ 44,872
Shares used in computation:		
Weighted-average ordinary shares outstanding	497,920	514,238
Basic earnings per share	<u>\$ 0.10</u>	<u>\$ 0.09</u>
Diluted earnings per share:		
Net income	\$ 51,820	\$ 44,872
Shares used in computation:		
Weighted-average ordinary shares outstanding	497,920	514,238
Weighted-average ordinary share equivalents from stock options and RSU awards (1) (2)	<u>3,712</u>	<u>3,312</u>
Weighted-average ordinary shares and ordinary share equivalents outstanding	<u>501,632</u>	<u>517,550</u>
Diluted earnings per share	<u>\$ 0.10</u>	<u>\$ 0.09</u>

(1) An immaterial number of options to purchase ordinary shares were excluded from the computation of diluted earnings per share during the three-month periods ended June 26, 2020 and June 28, 2019, respectively, due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

(2) RSU awards of 3.2 million and 6.1 million for the three-month periods ended June 26, 2020 and June 28, 2019 were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted-average ordinary share equivalents.

6. BANK BORROWINGS AND LONG-TERM DEBT

Bank borrowings and long-term debt as of June 26, 2020 are as follows:

	As of June 26, 2020	As of March 31, 2020
	(In thousands)	
Term Loan, including current portion, due in installments through June 2022	433,406	433,406
5.000% Notes due February 2023	500,000	500,000
Term Loan due April 2024 - three-month Yen LIBOR plus 0.500%	313,596	310,115
4.750% Notes due June 2025	597,380	597,265
3.750% Notes due February 2026	423,411	—
4.875% Notes due June 2029	661,610	661,908
4.875% Notes due May 2030	323,595	—
India Facilities	138,238	138,238
Other	213,881	210,684
Debt issuance costs	(19,668)	(13,377)
	3,585,449	2,838,239
Current portion, net of debt issuance costs	(162,287)	(149,130)
Non-current portion	\$ 3,423,162	\$ 2,689,109

The weighted-average interest rate for the Company's long-term debt was 3.8% and 4.0% as of June 26, 2020 and March 31, 2020, respectively.

Scheduled repayments of the Company's bank borrowings and long-term debt as of June 26, 2020 are as follows:

Fiscal Year Ending March 31,	Amount
	(In thousands)
2021 (1)	\$ 149,983
2022	212,255
2023	870,178
2024	53,109
2025	313,596
Thereafter	2,005,996
Total	\$ 3,605,117

(1) Represents estimated repayments for the remaining fiscal nine-month period ending March 31, 2021.

Notes due February 2026 and May 2030

In May 2020, the Company issued \$425 million aggregate principal amount of 3.750% Notes due February 2026 (the "2026 Notes"), at 99.617% of face value and \$325 million aggregate principal amount of 4.875% Notes due May 2030 (the "2030 Notes" and, together with the 2026 Notes, the "Notes"), at 99.562% of face value. The Company received in aggregate, proceeds of approximately \$747 million, net of discount, from the issuance which were used for working capital and other general corporate purposes. The Company incurred and capitalized as a direct reduction to the carrying amount of the Notes presented on the balance sheet approximately \$7.1 million of costs in conjunction with the issuance of the Notes.

Interest on the 2026 Notes and the 2030 Notes is payable semi-annually, commencing on August 1, 2020 and November 12, 2020, respectively. The Notes are senior unsecured obligations of the Company and rank equally with all of the Company's other existing and future senior and unsecured debt obligations.

The indenture governing the Notes contains covenants that, among other things, restrict the ability of the Company and certain of the Company's subsidiaries to create liens; enter into sale-leaseback transactions; 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 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 2026 Notes or 2030 Notes may declare all of such series of 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 such series of Notes. As of June 26, 2020, the Company was in compliance with the covenants in the indenture governing the Notes.

7. INTEREST AND OTHER, NET

Interest and other, net for the three-month periods ended June 26, 2020 and June 28, 2019 are primarily composed of the following:

	Three-Month Periods Ended	
	June 26, 2020	June 28, 2019
	(In thousands)	
Interest expenses on debt obligations (1)	\$ 33,374	\$ 40,428
ABS and AR sales programs related expenses	4,832	12,981
Interest income	(2,803)	(4,592)

- (1) Interest expense on debt obligations for the three-month period ended June 28, 2019 include debt extinguishment costs of \$4.1 million related to the partial repayments of the Notes due February 2020 and the Term Loan due November 2021. There were no debt extinguishment costs incurred during the first quarter of fiscal year 2021.

8. 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 June 26, 2020, the aggregate notional amount of the Company's outstanding foreign currency derivative contracts was \$9.5 billion as summarized below:

Currency	Foreign Currency Amount		Notional Contract Value in USD	
	Buy	Sell	Buy	Sell
(In thousands)				
Cash Flow Hedges				
CNY	1,405,500	—	\$ 198,674	\$ —
JPY	33,525,000	—	300,000	—
MXN	4,416,000	—	195,603	—
Other	N/A	N/A	341,318	34,874
			1,035,595	34,874
Other Foreign Currency Contracts				
BRL	—	814,000	—	154,865
CNY	6,248,223	2,609,172	880,450	368,858
EUR	2,068,053	2,262,983	2,327,007	2,541,864
GBP	62,624	82,744	77,883	102,857
HUF	63,675,232	63,537,453	204,053	203,611
ILS	403,491	64,100	117,427	18,655
INR	5,500,000	6,495,390	72,630	85,722
MXN	3,885,763	2,446,456	172,117	108,364
MYR	1,163,860	934,940	272,222	218,679
SEK	652,526	734,086	68,873	78,835
Other	N/A	N/A	213,584	147,837
			4,406,246	4,030,147
Total Notional Contract Value in USD			\$ 5,441,841	\$ 4,065,021

As of June 26, 2020, 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 June 26, 2020 and March 31, 2020, 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 losses were immaterial as of June 26, 2020, 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 June 26, 2020. 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		June 26, 2020	March 31, 2020		Balance Sheet Location	June 26, 2020	March 31, 2020
(In thousands)							
Derivatives designated as hedging instruments							
Foreign currency contracts	Other current assets	\$ 16,150	\$ 7,257		Other current liabilities	\$ 16,983	\$ 46,645
Foreign currency contracts	Other assets	\$ 15,314	\$ 13,849		Other liabilities	\$ —	\$ —

Derivatives not designated as hedging instruments							
Foreign currency contracts	Other current assets	\$ 29,816	\$ 83,086	Other current liabilities	\$ 31,291	\$ 102,709	

The Company has financial instruments subject to master netting arrangements, which provide 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.

9. ACCUMULATED OTHER COMPREHENSIVE LOSS

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

Three-Month Periods Ended							
June 26, 2020				June 28, 2019			
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	\$ (81,663)	\$ (133,004)	\$ (214,667)	\$ (41,556)	\$ (109,607)	\$ (151,163)	
Other comprehensive gain (loss) before reclassifications	18,286	14,050	32,336	(6,068)	4,404	(1,664)	
Net losses reclassified from accumulated other comprehensive loss	11,474	—	11,474	593	—	593	
Net current-period other comprehensive gain (loss)	29,760	14,050	43,810	(5,475)	4,404	(1,071)	
Ending balance	\$ (51,903)	\$ (118,954)	\$ (170,857)	\$ (47,031)	\$ (105,203)	\$ (152,234)	

Substantially all unrealized losses relating to derivative instruments and other, reclassified from accumulated other comprehensive loss for the three-month period ended June 26, 2020 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.

10. TRADE RECEIVABLES SECURITIZATION

The Company sells trade receivables under two asset-backed securitization programs and an accounts receivable factoring program.

Asset-Backed Securitization Programs

The Company continuously sells designated pools of trade receivables under its Global Asset-Backed Securitization Agreement (the “Global Program”) and its North American Asset-Backed Securitization Agreement (the “North American Program,” and together with the Global Program, the “ABS Programs”) to affiliated special purpose entities, each of which in turn sells the receivables to unaffiliated financial institutions. Under these programs, the entire purchase price of sold receivables are paid in cash. The ABS Programs contain guarantees of payment by the special purpose entities, in amounts equal to approximately the net cash proceeds under the programs, and are collateralized by certain receivables held by the special purpose entities. The fair value of the guarantee obligation was immaterial as of June 26, 2020 and March 31, 2020, respectively. The accounts receivable balances sold under the ABS Programs were removed from the condensed consolidated balance sheets and the cash proceeds received by the Company were included as cash provided by operating activities in the condensed consolidated statements of cash flows.

Following the transfer of the receivables to the special purpose entities, the transferred receivables are legally 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 have 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 \$790 million for the Global Program, of which \$615 million is committed and \$175 million is uncommitted, and \$285 million for the North American Program, of which \$210 million is committed and \$75 million is uncommitted.

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 periods ended June 26, 2020 and June 28, 2019 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.

As of June 26, 2020 and March 31, 2020, approximately \$0.1 billion and \$0.8 billion, respectively, of accounts receivable had been sold to the special purpose entities under the ABS Programs for which the Company had received net cash proceeds for the same amount.

For the three-month periods ended June 26, 2020 and June 28, 2019, cash flows from sales of receivables under the ABS Programs consisted of approximately \$2.7 billion and \$1.6 billion, respectively, for transfers of receivables. The three-month period ended June 28, 2019 also included approximately \$0.9 billion for collections on deferred purchase price receivables (effective November 2019, the Company no longer holds a deferred purchase price receivables balance). The Company's cash flows from transfers 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 \$0.3 billion and \$0.4 billion as of June 26, 2020 and March 31, 2020, respectively. For the three-month periods ended June 26, 2020 and June 28, 2019, total accounts receivable sold to certain third-party banking institutions was approximately \$0.3 billion and \$0.5 billion, respectively. The receivables that were sold were removed from the condensed consolidated balance sheets and the cash received were included as cash provided by operating activities in the condensed consolidated statements of cash flows.

11. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

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

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

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 classified as level 1 in the fair value hierarchy as of June 26, 2020.

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 time 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 June 26, 2020 and March 31, 2020.

There were no transfers between levels in the fair value hierarchy during the three-month periods ended June 26, 2020 and June 28, 2019.

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents the Company's assets and liabilities measured at fair value on a recurring basis as of June 26, 2020 and March 31, 2020:

Fair Value Measurements as of June 26, 2020						
	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)	\$	—	\$ 1,656,647	\$	—	\$ 1,656,647
Foreign currency contracts (Note 8)		—	61,280		—	61,280
Deferred compensation plan assets:						
Mutual funds, money market accounts and equity securities		—	53,837		—	53,837
Liabilities:						
Foreign currency contracts (Note 8)	\$	—	\$ (48,274)	\$	—	\$ (48,274)

Fair Value Measurements as of March 31, 2020						
	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)	\$	—	\$ 403,657	\$	—	\$ 403,657
Foreign currency contracts (Note 8)		—	104,192		—	104,192
Deferred compensation plan assets:						
Mutual funds, money market accounts and equity securities		—	49,086		—	49,086
Liabilities:						
Foreign currency contracts (Note 8)	\$	—	\$ (149,354)	\$	—	\$ (149,354)

Other financial instruments

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

	As of June 26, 2020		As of March 31, 2020		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
(In thousands)					
Term Loan, including current portion, due in installments through June 2022	433,406	433,363	433,406	413,903	Level 1
5.000% Notes due February 2023	500,000	535,591	500,000	499,710	Level 1
Term Loan due April 2024 - three-month Yen LIBOR plus 0.500%	313,596	313,596	310,115	310,115	Level 2
4.750% Notes due June 2025	597,380	663,623	597,265	613,152	Level 1
3.750% Notes due February 2026	423,411	449,958	—	—	Level 1
4.875% Notes due June 2029	661,610	734,043	661,908	628,419	Level 1
4.875% Notes due May 2030	323,595	358,899	—	—	Level 1
Euro Term Loans	212,678	212,678	207,646	207,646	Level 2
India Facilities	138,238	138,238	138,238	138,238	Level 2

The Term Loan due June 2022, and the Notes due February 2023, June 2025, February 2026, June 2029 and May 2030 are valued based on broker trading prices in active markets.

The Company values its Term Loan due April 2024, India Facilities, and Euro Term Loans due September 2020, March 2021, and January 2022 based on the current market rate, and as of June 26, 2020, the carrying amounts approximate fair values.

12. 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 for any individual matter 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, 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 and have agreed in principle to an immaterial settlement.

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. On November 8, 2019, lead plaintiff filed a further amended complaint. On December 4, 2019, Defendants filed a motion to dismiss the amended complaint. On May 29, 2020, the Court granted Defendants' motion to dismiss without prejudice and gave lead plaintiff 30 days to amend. On June 29, 2020, lead plaintiff filed a further amended complaint. On July 27, 2020, Defendants filed a motion to dismiss the amended complaint. Defendants' motion to dismiss is set for hearing on December 3, 2020. 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 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 were originally six tax assessments totaling 373.7 million Brazilian reais (approximately USD \$71.1 million based on the exchange rate as of June 26, 2020). Four of 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 (totaling approximately 60.5 million Brazilian reais or USD \$11.5 million); that assessment remains subject to appeal and no tax proceeding has been finalized yet. The Company was unsuccessful at the administrative level for one of the assessments and filed an annulment action in federal court in Sao Paulo, Brazil on March 23, 2020; the value of that assessment is 33.9 million Brazilian reais (approximately USD \$6.4 million). The Company believes there is no legal basis for any of these assessments and has meritorious defenses. The Company 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 expects to complete the investigation and report to OFAC by the end of the second quarter of fiscal year 2021, and it is reasonably possible that the Company could be subject to penalties that could have a material adverse effect on the Company's financial position, results of operations or cash flows.

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.

A different foreign Tax Authority has issued a letter against one of the Company's legal entities asserting that the entity did not meet the qualification criteria for tax holiday status for the periods fiscal year 2006 through fiscal year 2013. The asserted additional tax and penalty is approximately \$80 million. The Company disagrees with the Tax Authority's assertion and is actively contesting through administrative processes and will defend through judicial processes if necessary.

As the final resolutions of the above items remain 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.

13. SHARE REPURCHASES

During the three-month period ended June 26, 2020, the Company made no repurchases of 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 June 26, 2020, shares in the aggregate amount of \$315.2 million were available to be repurchased under the current plan.

14. SEGMENT REPORTING

In March 2020, the Company announced a change in organizational structure as part of its strategy to further drive efficiency and productivity with two focused delivery models. The Company's chief operating decision maker ("CODM") changed from the CEO and certain direct staff who oversee operations of the business, to the CEO herself. As a result, beginning in fiscal year 2021, the Company now reports its financial performance based on two operating and reportable segments, Flex Agility Solutions ("FAS") and Flex Reliability Solutions ("FRS") and analyzes operating income as the measure of segment profitability.

The FAS segment is optimized for speed to market at any volume based on a highly flexible supply and manufacturing system. The Company realigned the majority of the customers under the former CEC and CTG segments under the new FAS segment. Certain customers that were in the former Industrial segment that meet the above delivery model were also consolidated into the FAS segment. FAS is now comprised of the following end markets that represent reportable units:

- *Consumer Devices*, including mobile and high velocity consumer devices;
- *Lifestyle*, including appliances, consumer packaging, floorcare, micro mobility and audio; and
- *Communications, Enterprise and Cloud ("CEC")*, including data infrastructure, edge infrastructure and communication infrastructure.

The FRS segment is optimized for longer product lifecycles requiring complex ramps at any volume with specialized production models and critical environments. The Company consolidated the majority of its customers under the former HRS and IEI segments into the new FRS segment. FRS is now comprised of the following end markets that represent reportable units:

- *Automotive*, including autonomous, connectivity, electrification, and smart technologies;
- *Health Solutions*, including medical devices, medical equipment and drug delivery; and
- *Industrial*, including capital equipment, industrial devices, renewable and grid edge, and power systems.

The determination of the FAS and FRS segments is based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics.

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, legal and other, interest and other, net.

Selected financial information by segment is in the table below. Fiscal year 2020 historical information has been recast to reflect the new operating and reportable segments in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Three-Month Periods Ended	
	June 26, 2020	June 28, 2019
	(In thousands)	
Net sales:		
Flex Agility Solutions	\$ 2,912,030	\$ 3,908,176
Flex Reliability Solutions	2,241,303	2,267,763
	<u>\$ 5,153,333</u>	<u>\$ 6,175,939</u>
Segment income and reconciliation of income before tax:		
Flex Agility Solutions	\$ 71,807	\$ 108,958
Flex Reliability Solutions	114,737	129,994
Corporate and Other	(23,672)	(31,092)
Total segment income	<u>162,872</u>	<u>207,860</u>
Reconciling items:		
Intangible amortization	15,176	17,082
Stock-based compensation	12,769	15,227
Customer related asset impairments	(76)	483
Restructuring charges (Note 15)	9,682	56,192
Legal and other (1)	27,681	1,610
Interest and other, net	30,257	53,157
Income before income taxes	<u>\$ 67,383</u>	<u>\$ 64,109</u>

(1) Legal and other during the three-month period ended June 26, 2020 consists of costs not directly related to core business results and may include 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. During the first quarter of fiscal year 2021, the Company accrued for certain loss contingencies where losses are considered probable and estimable.

Corporate and other primarily includes corporate services costs that are not included in the CODM's assessment of the performance of each of the identified reporting segments.

The Company provides an overall platform of assets and services, which the segments utilize for the benefit of their various customers. The shared assets and services are contained within the Company's global manufacturing and design operations and include manufacturing and design facilities. Most of the underlying manufacturing and design assets are co-mingled on the operating campuses and are compatible 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.

15. RESTRUCTURING CHARGES

In order to support the Company's strategy and build a sustainable organization, and after considering that the economic recovery from the pandemic will be slower than anticipated, the Company has identified and is engaging in certain structural changes. These restructuring actions will eliminate non-core activities primarily within the Company's corporate function, align the Company's cost structure with its reorganizing and optimizing of its operations model along its two reporting segments, and further sharpen its focus to winning business in end markets where it has competitive advantages and deep domain expertise. During the three-month period ended June 26, 2020, the Company recognized approximately \$9.7 million of restructuring charges, most of which related to employee severance.

During the first quarter of fiscal year 2020 in connection with geopolitical developments and uncertainties at the time, 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-month period ended June 28, 2019, the Company recognized \$56.2 million of restructuring

charges, comprised of approximately \$30.8 million of cash charges predominantly for employee severance, and \$25.4 million of non-cash charges related to impairment of equipment and inventory.

The following table summarizes the provisions, respective payments, and remaining accrued balance as of June 26, 2020 for charges incurred during the three-month period ended June 26, 2020:

	Severance	Long-Lived Asset Impairment	Other Exit Costs	Total
	(In thousands)			
Balance as of March 31, 2020	\$ 19,502	\$ —	\$ 3,900	\$ 23,402
Provision for charges incurred during the three-month period ended June 26, 2020	6,538	3,508	(364)	9,682
Cash payments for charges incurred in the fiscal year 2020 and prior	(11,187)	—	(197)	(11,384)
Cash payments for charges incurred during the three-month period ended June 26, 2020	(1,273)	—	—	(1,273)
Non-cash charges incurred during the three-month period ended June 26, 2020	—	(3,508)	971	(2,537)
Balance as of June 26, 2020	13,580	—	4,310	17,890
Less: Current portion (classified as other current liabilities)	13,580	—	4,310	17,890
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, 2020. 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 the manufacturing partner of choice that helps a diverse customer base design and build products that improve the world. Through the collective strength of a global workforce across approximately 30 countries and responsible, sustainable operations, the Company delivers technology innovation, supply chain, and manufacturing solutions to diverse industries and end markets. In the first quarter of fiscal year 2021, the Company made certain changes in its organization structure as part of its strategy to further drive efficiency and productivity with two focused delivery models. As a result, the Company now reports its financial performance based on two reportable segments:

- Flex Agility Solutions (“FAS”), which is comprised of the following end markets:
 - *Consumer Devices*, including mobile and high velocity consumer devices;
 - *Lifestyle*, including appliances, consumer packaging, floorcare, micro mobility and audio; and

- *Communications, Enterprise and Cloud ("CEC")*, including data infrastructure, edge infrastructure and communication infrastructure.
- Flex Reliability Solutions ("FRS"), which is comprised of the following end markets:
 - *Automotive*, including autonomous, connectivity, electrification, and smart technologies;
 - *Health Solutions*, including medical devices, medical equipment and drug delivery; and
 - *Industrial*, including capital equipment, industrial devices, renewable and grid edge, and power systems.

Refer to "note 14 - Segments Reporting," to the condensed consolidated financial statements for additional information on the changes in operating and reportable segments.

Our strategy is to provide customers with a full range of cost competitive, vertically-integrated global supply chain solutions through which we can design, build, ship and service a complete packaged product for our customers. This enables our customers to leverage our supply chain solutions to meet their product requirements throughout the entire product life cycle.

Over the past few years, we have seen an increased level of diversification by many companies, primarily in the technology sector. Some companies that have historically identified themselves as software providers, Internet service providers or e-commerce retailers have entered the highly competitive and rapidly evolving technology hardware markets, such as mobile devices, home entertainment and wearable devices. This trend has resulted in a significant change in the manufacturing and supply chain solutions requirements of such companies. While the products have become more complex, the supply chain solutions required by such companies have become more customized and demanding, and it has changed the manufacturing and supply chain landscape significantly.

We use a portfolio approach to manage our extensive service offerings. As our customers change the way they go to market, we have the capability to reorganize and rebalance our business portfolio in order to align with our customers' needs and requirements in an effort to optimize operating results. The objective of our business model is to allow us to be flexible and redeploy and reposition our assets and resources as necessary to meet specific customer's supply chain solutions needs across all the markets we serve and earn a return on our invested capital above the weighted average cost of that capital.

During the first quarter of fiscal year 2020 in connection with geopolitical developments and uncertainties at the time, 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 first quarter of fiscal year 2021, in order to support the Company's strategy and build a sustainable organization, and after considering that the economic recovery from the pandemic will be slower than anticipated, the Company has identified and is engaging in certain structural changes.

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.

Update on the Impact of COVID-19 on our Business

As anticipated, our results were negatively impacted by COVID-19 disruptions to our factories, workforce, and suppliers. In the first quarter our COVID-19 related costs roughly doubled sequentially from the March quarter to over \$100 million as the impact from the pandemic extended throughout the entire quarter. These costs are primarily comprised of enhanced health and safety protocols, incremental labor incentives, incremental supply chain costs and forced under-absorption of idle and underutilized labor and overhead costs. While we expect that these incremental costs will persist in our second quarter, we believe that these incremental costs will be significantly lower as demand improves.

The decrease in sales during the three-month period ended June 26, 2020 was also impacted by demand pressures and disruptions due to COVID-19. Other than our Health Solutions and Industrial businesses which performed well during the quarter, our other businesses were impacted by demand pressures and disruptions, most notably our automotive business where our automotive facilities were closed for nearly half of the quarter due to shutdowns by our automotive customers. While we anticipate revenue to improve across our end markets, we believe that our businesses tied to consumer spending, such as Lifestyle and Consumer Devices, will continue to be impacted if there is a prolonged demand slowdown. Refer to *"Risk actors - The COVID-19 pandemic has materially and adversely affected our business and results of operations. The duration and extent to which it will continue to adversely impact our business and results of operations remains uncertain and could be material,"* as disclosed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended March 31, 2020.

As part of our continuous response to the outbreak, we have maintained salary cuts, furloughs and other programs to cut costs initiated at the beginning of our first quarter, including aggressively reducing discretionary corporate spend. Employees that have been operating on a work-from-home basis are continuing to do so. Further, to support our strategy and build a sustainable organization, and after considering that the economic recovery will be slower than anticipated, we have identified and are engaging in certain structural changes. See additional discussion regarding these restructuring actions below under "Restructuring charges".

We are continuously evaluating our capital structure in response to the current environment and expect that our current financial condition, including our liquidity sources are adequate to fund future commitments. See additional discussion in the Liquidity and Capital Resources section below.

Business Overview

We are one of the world's largest providers of global supply chain solutions, with revenues of \$5.2 billion for the three-month period ended June 26, 2020 and \$24.2 billion in fiscal year 2020. 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 (amounts may not sum due to rounding):

Net sales:	Three-Month Periods Ended					
	June 26, 2020			June 28, 2019		
	(In millions)					
China	\$	1,417	27 %	\$	1,450	23 %
Mexico		907	18 %		1,079	17 %
U.S.		869	17 %		804	13 %
Brazil		322	6 %		555	9 %
Malaysia		299	6 %		427	7 %
Hungary		250	5 %		321	5 %
Israel		187	4 %		184	3 %
Other		902	17 %		1,356	23 %
	\$	5,153		\$	6,176	

<u>Property and equipment, net:</u>	As of		As of			
	June 26, 2020		March 31, 2020			
	(In millions)					
Mexico	\$	543	25 %	\$	555	25 %
China		375	17 %		396	18 %
U.S.		375	17 %		378	17 %
India		199	9 %		207	9 %
Malaysia		106	5 %		111	5 %
Hungary		98	5 %		100	4 %
Other		467	22 %		469	22 %
	\$	2,163		\$	2,216	

We believe that the combination of our extensive open innovation platform solutions, design and engineering services, advanced supply chain management solutions and services, significant scale and global presence, and manufacturing campuses in low-cost geographic areas provide us with a competitive advantage and strong differentiation in the market for designing, manufacturing and servicing consumer and enterprise products for leading multinational and regional customers. Specifically, we offer our customers the ability to simplify their global product development, manufacturing process, and after sales services, and enable them to meaningfully accelerate their time to market and cost savings.

Our operating results are affected by a number of factors, including the following:

- the impacts on our business due to component shortages or other supply chain related constraints including as a result of the COVID-19 pandemic;
- the effects of the COVID-19 pandemic on our business and results of operations;

- 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 that current credit and market conditions (including as a result of the COVID-19 pandemic) could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations;
- 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;
- integration of acquired businesses and facilities;
- increased labor costs due to adverse labor conditions in the markets we operate;
- changes in tax legislation; and
- changes in trade regulations and treaties.

We are also subject to other risks as outlined in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2020.

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. Due to the COVID-19 pandemic, there has been and will continue to be uncertainty and disruption in the global economy and financial markets. We have made estimates and assumptions taking into consideration certain possible impacts due to COVID-19. These estimates may change, as new events occur, and additional information is obtained. 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, 2020, where we discuss our more significant judgments and estimates used in the preparation of the condensed consolidated financial statements.

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 2020 Annual Report on Form 10-K. As previously disclosed, we made certain changes in our organization structure. As a result of these changes, we revised our reportable segments as further discussed in note 14 to the condensed consolidated financial statements. There was no change to our condensed consolidated financial statements. For comparability purposes, segment reporting for the prior period has been recast to conform to the current presentation.

	Three-Month Periods Ended	
	June 26, 2020	June 28, 2019
Net sales	100.0 %	100.0 %
Cost of sales	93.9	93.5
Restructuring charges	0.2	0.8
Gross profit	5.9	5.7
Selling, general and administrative expenses	3.7	3.4
Intangible amortization	0.3	0.3
Restructuring charges	0.0	0.1
Interest and other, net	0.6	0.9
Income before income taxes	1.3	1.0
Provision for income taxes	0.3	0.3
Net income	1.0 %	0.7 %

Net sales

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

Segments:	Three-Month Periods Ended			
	June 26, 2020		June 28, 2019	
	(In millions)			
Flex Agility Solutions	\$ 2,912	57 %	\$ 3,908	63 %
Flex Reliability Solutions	2,241	43 %	\$ 2,268	37 %
	\$ 5,153		\$ 6,176	

Amounts may not sum due to rounding.

Net sales during the three-month period ended June 26, 2020 totaled \$5.2 billion, representing a decrease of approximately \$1.0 billion, or 17% from \$6.2 billion during the three-month period ended June 28, 2019. The decrease in sales impacted both of our segments reflecting significant COVID-19 demand and production pressure. Our FAS segment decreased \$996 million, driven by lower demand in all of the end markets we serve, and more specifically in our Consumer Devices business, further impacted by COVID-19 related supply chain constraints, coupled with our targeted disengagement of high volatility, short cycle businesses we launched in the prior year. Our FRS segment modestly decreased \$27 million, primarily due to disruptions directly impacting our automotive business towards the end of fiscal year 2020 and extending throughout the first quarter of fiscal year 2021. That decline more than offset increases in sales in both of our Health Solution and Industrial businesses. Net sales decreased \$566 million to \$2.0 billion in Asia, \$355 million to \$2.1 billion in the Americas, and \$102 million to \$1.0 billion in Europe.

Our ten largest customers, during the three-month periods ended June 26, 2020 and June 28, 2019, accounted for approximately 39% and 42% of net sales, respectively. No customer accounted for more than 10% of net sales during the three-month periods ended June 26, 2020 or June 28, 2019.

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 June 26, 2020 decreased \$49 million to \$304 million, or 5.9% of net sales, from \$353 million, or 5.7% of net sales, during the three-month period ended June 28, 2019, driven by the lower sales referred

to above. Gross margin improved 20 basis points during the same period primarily resulting from lower restructuring costs for the three-month period ended June 26, 2020, compared to the prior year period.

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, legal and other, interest and other, net. A portion of depreciation is allocated to the respective segment, together with other general corporate research and development and administrative expenses.

The following table sets forth segment income and margins (amounts may not sum due to rounding):

	Three-Month Periods Ended				
	June 26, 2020		June 28, 2019		
	(In millions)				
Segment income and reconciliation of income before tax:					
Flex Agility Solutions	\$	72	2.5 %	\$	109 2.8 %
Flex Reliability Solutions		115	5.1 %		130 5.7 %
Corporate and Other		(24)			(31)
Total segment income		163	3.2 %		208 3.4 %
Reconciling items:					
Intangible amortization		15			17
Stock-based compensation		13			15
Restructuring charges (Note 15)		10			56
Legal and other (1)		28			2
Interest and other, net		30			53
Income before income taxes	\$	67		\$	64

(1) Legal and other during the three-month period ended June 26, 2020 consists of costs not directly related to core business results and may include 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. During the first quarter of fiscal year 2021, the Company accrued for certain loss contingencies where losses are considered probable and estimable.

FAS segment margin decreased 30 basis points, to 2.5% for the three-month period ended June 26, 2020, from 2.8% for the three-month period ended June 28, 2019. The decrease in FAS segment margin during the period is primarily the result of elevated under-absorption specifically in our Consumer Devices end market.

FRS segment margin decreased 60 basis points, to 5.1% for the three-month period ended June 26, 2020, from 5.7% for the three-month period ended June 28, 2019. The decrease in FRS segment margin is primarily the results of plant shutdowns that affected the entire automotive ecosystem across all regions, coupled with under-absorption and efficiency impacts.

As a result of the organizational structure changes, as previously disclosed, we revised our reportable segments as further discussed in note 14 to the condensed consolidated financial statements. Selected unaudited quarterly financial information for fiscal year 2020 in the table below have been recast reflecting the new reportable segments.

	Three-Month Periods Ended								Fiscal Year Ended	
	June 28, 2019		September 27, 2019		December 31, 2019		March 31, 2020		March 31, 2020	
	(In thousands) (Unaudited)									
Net sales:										
Flex Agility Solutions	\$ 3,908,176	63 %	\$ 3,582,900	59 %	\$ 3,631,082	56 %	\$ 2,930,956	53 %	\$ 14,053,114	58 %
Flex Reliability Solutions	2,267,763	37 %	2,505,154	41 %	2,830,305	44 %	2,553,534	47 %	10,156,756	42 %
	<u>\$ 6,175,939</u>		<u>\$ 6,088,054</u>		<u>\$ 6,461,387</u>		<u>\$ 5,484,490</u>		<u>\$ 24,209,870</u>	
Segment income and reconciliation of income before tax:										
Flex Agility Solutions	\$ 108,958	2.8 %	\$ 94,194	2.6 %	\$ 98,022	2.7 %	\$ 67,856	2.3 %	\$ 369,030	2.6 %
Flex Reliability Solutions	129,994	5.7 %	159,186	6.4 %	186,249	6.6 %	167,120	6.5 %	642,549	6.3 %
Corporate and Other	(31,092)		(26,238)		(28,233)		(27,985)		(113,548)	
Total segment income	207,860	3.4 %	227,142	3.7 %	256,038	4.0 %	206,991	3.8 %	898,031	3.7 %
Reconciling items:										
Intangible amortization	17,082		16,223		15,598		15,203		64,106	
Stock-based compensation	15,227		18,890		19,215		18,214		71,546	
Customer related asset impairments	483		90,973		3,754		10,730		105,940	
Restructuring charges	56,192		128,315		14,616		17,284		216,407	
Legal and other	1,610		19,538		6,864		(1,742)		26,270	
Interest and other, net	51,694		47,749		36,207		28,077		163,727	
Other charges, net	1,463		1,147		14,395		74,545		91,550	
Income (loss) before income taxes	<u>\$ 64,109</u>		<u>\$ (95,693)</u>		<u>\$ 145,389</u>		<u>\$ 44,680</u>		<u>\$ 158,485</u>	

During fiscal year 2020, depreciation expense included in the segments' measure of operating performance above is as follows.

	Fiscal Year Ended
	March 31, 2020
	(In thousands)
	(Unaudited)
Depreciation expense:	
Flex Agility Solutions	\$ 217,678
Flex Reliability Solutions	172,960
Corporate and Other	31,769
Total depreciation expense	\$ 422,407

Property and equipment on a segment basis is not disclosed as it is not separately identified and is not internally reported by segment to the Company's CODM.

Restructuring charges

In order to support our strategy and build a sustainable organization, and after considering that the economic recovery from the pandemic will be slower than anticipated, we have identified and are engaging in certain structural changes. These restructuring actions will eliminate non-core activities primarily within our corporate function, align our cost structure with our reorganizing and optimizing of our operations model along our two reporting segments, and further sharpen our focus to winning business in end markets where we have competitive advantages and deep domain expertise. During the first quarter of

fiscal year 2021, we recognized an immaterial amount of restructuring charges. We expect to recognize additional charges of approximately \$100 million, the majority of which is planned severance for employee terminations over the remaining fiscal year 2021.

During the three-month period ended June 28, 2019, the Company recognized \$56.2 million of restructuring charges, comprised of approximately \$30.8 million of cash charges predominantly for employee severance, and \$25.4 million of non-cash charges related to impairment of equipment and inventory.

Selling, general and administrative expenses

Selling, general and administrative expenses (“SG&A”) was \$191 million, or 3.7% of net sales, during the three-month period ended June 26, 2020, decreasing \$19 million from \$210 million, or 3.4% of net sales, during the three-month period ended June 28, 2019. The decrease reflects strong cost discipline practiced across the enterprise as well as the benefits from our distinct actions taken to temporarily reduce compensation costs across our employee base and aggressively reduce our discretionary spend levels.

Intangible amortization

Amortization of intangible assets marginally declined during the three-month period ended June 26, 2020, to \$15 million, from \$17 million for the three-month period ended June 28, 2019, primarily due to certain intangibles now being fully amortized.

Interest and other, net

Interest and other, net was \$30 million during the three-month period ended June 26, 2020 compared to \$53 million during the three-month period ended June 28, 2019. The decrease in interest other, net was primarily due to lower expenses from our asset-backed securitization programs coupled with lower interest expense from our new borrowings compared to the prior year period.

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 14, “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, 2020 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 23% and 30% for the three-month periods ended June 26, 2020 and June 28, 2019, respectively. 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 period ended June 26, 2020 is lower than the effective tax rate for the three-month period ended June 28, 2019, primarily due to a changing jurisdictional mix of incomes.

LIQUIDITY AND CAPITAL RESOURCES

In response to the recent challenging environment following the COVID-19 pandemic, we continuously evaluate our ability to meet our obligations over the next 12 months and have proactively reset our capital structure during these times to improve maturities and liquidity. As a result, we expect that our current financial condition, including our liquidity sources are adequate to fund current and future commitments. As of June 26, 2020, we had cash and cash equivalents of approximately \$1.9 billion and bank and other borrowings of approximately \$3.6 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 issued \$425 million of 3.750% Notes due February 2026 and \$325 million of 4.875% Notes due May 2030. Refer to note 6 to the condensed consolidated financial statement for details. As of June 26, 2020, we were in compliance with the covenants under all of our credit facilities and indentures.

Cash used in operating activities was \$629 million during the three-month period ended June 26, 2020, primarily driven by cash outflows related to accounts receivables as we reduced our outstanding balance on our ABS programs, and used proceeds

from our debt funding in accordance with our revised capital strategy. These were offset by \$52 million of net income for the period plus \$154 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 is 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 increased \$1.1 billion as of June 26, 2020, from \$1.4 billion as of March 31, 2020. This increase is primarily driven by a \$0.8 billion increase in net receivables, coupled with a \$0.5 billion decrease in accounts payable, partially offset by a \$0.3 billion decrease in inventories. Our current quarter net working capital as a percentage of annualized net sales for the quarter ended June 26, 2020, increased to 11.9% from 6.3% of annualized net sales for the quarter ended March 31, 2020 as a direct result of reducing the outstanding balance of our ABS programs. As a result of carrying reduced ABS levels, the Company expects to operate in this range going forward. Though we have mitigated most of the initial supplier constraints and component shortages that we had encountered back in the last quarter of fiscal year 2020, we continue to operate in an unusual and dynamic environment with respect to virus-related production limitations and fluctuating demand. We expect it will take a few quarters to adequately drive down our inventory levels to align with the current demand environment. We are actively working with our partners to rebalance safety and buffer stock requirements and we have an established enterprise-wide cross-functional initiative resetting our load planning.

Cash used in investing activities was \$100 million during the three-month period ended June 26, 2020. This was primarily driven by \$102 million of net capital expenditures for property and equipment to continue expanding capabilities and capacity in support of our expanding health solutions and industrial 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 receivables, less net purchases of property and equipment to present adjusted cash flows on a consistent basis for investor transparency (refer to Part II, Item 8, note 11 of our Annual Report on Form 10-K for the year ended March 31, 2020, for discussion of the amendment of the ABS Programs). We also excluded the impact to cash flows related to certain vendor programs that is required for US GAAP presentation. In the first quarter of fiscal year 2021, we proactively and strategically utilized the proceeds of our debt issuance during the quarter to reduce the outstanding balance of our ABS programs. We reduced the balance on this short-term financing product by \$655 million sequentially, which has the accounting effect of reducing our cash flow from operations. Our adjusted free cash flows for the three-month period ended June 26, 2020 was a use of \$74 million compared to an inflow of \$114 million for the three-month period ended June 28, 2019. 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:

	Three-Month Periods Ended	
	June 26, 2020	June 28, 2019
	(In millions)	
Net cash used in operating activities	\$ (629)	\$ (657)
Reduction in ABS levels	655	—
Cash collection of deferred purchase price and other	2	894
Purchases of property and equipment	(110)	(162)
Proceeds from the disposition of property and equipment	8	39
Adjusted free cash flow	\$ (74)	\$ 114

Cash provided by financing activities was \$741 million during the three-month period ended June 26, 2020, which was primarily driven by \$747 million of proceeds received in aggregate, and net of discount, following the issuance of the 2026 Notes and the 2030 Notes. For further information, see note 6 to the condensed consolidated financial statements.

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 June 26, 2020, and March 31, 2020, 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 \$1.4 billion as of March 31, 2020). 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 \$0.1 billion for the three-month periods ended June 26, 2020 and June 28, 2019, 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.

In addition, we maintain various uncommitted short-term financing facilities including but not limited to commercial paper program, and revolving sale and repurchase of subordinated note established under the securitization facility, under which there were no borrowings outstanding as of June 26, 2020.

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 may enter into debt and equity financings, sales of accounts receivable and lease transactions to fund acquisitions and anticipated growth as needed.

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 three-month period ended June 26, 2020, there were no purchases of our ordinary shares made by us. As of June 26, 2020, shares in the aggregate amount of \$315 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, 2020.

During the first quarter of fiscal year 2021, we issued \$425 million of 3.750% Notes due February 2026 and \$325 million of 4.875% Notes due May 2030.

Other than the changes discussed above, there were no material changes in our contractual obligations and commitments since March 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

As of June 26, 2020, and March 31, 2020, the outstanding balance on receivables sold for cash was \$0.4 billion and \$1.2 billion, respectively, under our asset-backed securitization programs and accounts receivable factoring program, which were removed from accounts receivable balances in our condensed consolidated balance sheets. For further information, see note 10 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 three-month period ended June 26, 2020 as compared to the fiscal year ended March 31, 2020.

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 June 26, 2020. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of June 26, 2020, 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

There were no changes in our internal control over financial reporting that occurred during our first quarter of fiscal year 2021 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 12 “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, 2020, 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.

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

Issuer Purchases of Equity Securities

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 June 26, 2020, shares in the aggregate amount of \$315.2 million were available to be repurchased under the current plan. There were no purchases of our ordinary shares made by us for the period from April 1, 2020 through June 26, 2020.

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 Herewith
			File No.	Filing Date		
4.1	Indenture, dated as of June 6, 2019, by and between the Company and U.S. Bank National Association, as trustee	8-K	000-23354	6/6/2019	4.1	
4.2	Third Supplemental Indenture, dated as of May 12, 2020, by and between the Company and U.S. Bank National Association, as trustee	8-K	000-23354	5/12/2020	4.2	
4.3	Form of 3.750% Global Note due 2026 (included in Exhibit 4.2)	8-K	000-23354	5/12/2020	4.3	
4.4	Form of 4.875% Global Note due 2030 (included in Exhibit 4.2)	8-K	000-23354	5/12/2020	4.4	
10.01	Second Amendment to Credit Agreement, dated as of April 7, 2020 among Flex Ltd., the lenders party thereto, and Bank of America, N.A., as Administrative Agent					X
10.02	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for time-based vesting awards (FY21)					X
10.03	Form of Restricted Share Unit Award Agreement under the 2017 Equity Incentive Plan for performance-based vesting awards (20-day trading average) (FY21)					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 Advaithi

Chief Executive Officer

(Principal Executive Officer)

Date: August 4, 2020

/s/ CHRISTOPHER E. COLLIER

Christopher E. Collier

Chief Financial Officer

(Principal Financial Officer)

Date: August 4, 2020

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of April 7, 2020 (the “Second Amendment Effective Date”), is entered into among FLEX LTD., a Singapore registered public company limited by shares and having company registration no. 199002645H, acting (subject to Section 10.20 of the Credit Agreement (as defined below)) through its Bermuda branch, having a principal place of business from which it conducts operations in accordance with its permit located at 16 Par-la-Ville Road, Hamilton HM08 Bermuda (the “Company”), the Lenders party hereto, and BANK OF AMERICA, N.A., as Administrative Agent (the “Administrative Agent”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement.

RECITALS

WHEREAS, the Company, each Designated Borrower from time to time party thereto, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent and Swing Line Lender, are parties to that certain Credit Agreement, dated as of June 30, 2017 (as amended, restated, amended and restated, supplemented, extended, replaced or otherwise modified from time to time, the “Credit Agreement”);

WHEREAS, the Company has requested that the Credit Agreement be amended as set forth below, subject to the terms and conditions specified herein; and

WHEREAS, the parties hereto are willing to amend the Credit Agreement, subject to the terms and conditions specified in this Amendment.

NOW, THEREFORE, in consideration of the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Amendment. Clause (c) of the definition of “EBITDA” is hereby amended and restated in its entirety to read as follows:

(c) an amount, not to exceed for any consecutive four-quarter period ending (x) with the fiscal quarters ended on or about June 30, 2020, September 30, 2020 and December 31, 2020, \$200,000,000, and (y) on any other fiscal quarter-end, \$100,000,000, in each case equal to the sum (without duplication and to the extent deducted in calculating net income or loss in clause (a) above) of all one-time cash charges associated with (i) merger- or acquisition-related expenses (including legal fees, investment banking fees and other similar fees and expenses), in connection with any merger or acquisition entered into or consummated by the Company or any of its Subsidiaries which is otherwise permitted under this Agreement, (ii) restructuring costs incurred by the Company or any of its Subsidiaries in connection with any restructuring entered into or consummated by the Company or any of its Subsidiaries which is otherwise permitted under this Agreement, and (iii) net losses from the early extinguishment of notes or other Indebtedness; in each case paid in such period and calculated in accordance with GAAP; provided, however, that, no one-time cash charges in connection with merger- or acquisition-related expenses shall be

added to the calculation of EBITDA if the Company and its Subsidiaries, in connection with any Specified Transaction to which such expenses relate, shall have adjusted EBITDA on a pro forma basis to give effect to such Specified Transaction as if such Specified Transaction had occurred as of the first day of such period as described in the last sentence of this definition.

2. Condition Precedent. This Amendment shall become effective upon receipt by the Administrative Agent of counterparts of this Amendment duly executed by the Company, the Required Lenders, and the Administrative Agent.

3. Payment of Expenses. The Company agrees to reimburse the Administrative Agent for all reasonable out-of-pocket expenses incurred by the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including the reasonable fees, charges and disbursements of Moore & Van Allen PLLC.

4. Miscellaneous.

(a) The Credit Agreement and the obligations of the Company thereunder and under the other Loan Documents are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Amendment is a Loan Document.

(b) The Company represents and warrants that: (i) the execution, delivery and performance by the Company of this Amendment and the consummation of the transactions contemplated hereby are within the powers of the Company and have been duly authorized by all necessary actions on the part of the Company; (ii) this Amendment has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity; (iii) no material consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority or other Person (including the shareholders of any Person) is required in connection with the execution and delivery of this Amendment by the Company and the performance or consummation of the transaction contemplated hereby, except as such (A) have been made or obtained and are in full force and effect, or (B) are being made or obtained in a timely manner and once made or obtained will be in full force and effect; (iv) the execution and delivery by the Company of this Amendment and the performance and consummation of the transactions contemplated hereby do not (A) violate any material Requirement of Law applicable to the Company, (B) violate any provision of, or result in the breach or the acceleration of, or entitle any other Person to accelerate (whether after the giving of notice or lapse of time or both), any material Contractual Obligation of the Company, or (C) result in the creation or imposition of any material Lien (or the obligation to create or impose any Lien) upon any property, asset or revenue of the Company; and (v) after giving effect to this Amendment, (A) the representations and warranties of the Company contained in Article V of the Credit Agreement and in each other Loan Document or in any document furnished at any time under or in connection therewith, shall be (1) in the case of representations and warranties that are qualified as to materiality, true and correct, and (2) in the case of representations and warranties that are not qualified as to materiality, true and correct in all material respects, in each case on and as of the Second Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct or true and correct in all material respects, as the case may be, as of such earlier date (provided, that, for purposes of

this Section 4(b)(v)(A), the representations and warranties contained in Section 5.09 of the Credit Agreement shall be deemed to refer to the most recent Financial Statements furnished pursuant to clauses (a) and (b) of Section 6.01 of the Credit Agreement), and (B) no Default exists.

(c) This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic means (e.g. “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Amendment.

(d) If any provision of this Amendment is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(e) THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(f) The terms of Sections 10.14 and 10.15 of the Credit Agreement with respect to submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

COMPANY:

FLEX LTD.

By: /s/ B. Vijayandran A/L S. Balasingam

Name: B. Vijayandran A/L S. Balasingam

Title: Authorized Signatory

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Anthea Del Bianco
Name: Anthea Del Bianco
Title: Vice President

LENDERS:

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Puneet Lakhota
Name: Puneet Lakhota
Title: Vice President

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

CITIBANK, N.A.,
as a Lender

By: /s/ Susan M. Olsen
Name: Susan M. Olsen
Title: Vice President

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

BNP PARIBAS,
as a Lender

By: /s/ Barbara Nash
Name: Barbara Nash
Title: Managing Director

By: /s/ Chief Marbumrung
Name: Chief Marbumrung
Title: Vice President

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

HSBC BANK USA, N.A.,
as a Lender

By: /s/ David Wagstaff
Name: David Wagstaff
Title: Managing Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, NEW YORK BRANCH,
as a Lender

By: /s/ Jing Qu
Name: Jing Qu
Title: Vice President

By: /s/ Gang Duan
Name: Gang Duan
Title: Executive Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ John Kowalczuk
Name: John Kowalczuk
Title: Executive Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

MIZUHO BANK, LTD.,
as a Lender

By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Executive Director

SUMITOMO MITSUI BANKING CORPORATION,
as a Lender

By: /s/ Jun Ashley
Name: Jun Ashley
Title: Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ Jason Rinne
Name: Jason Rinne
Title: Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

MUFG BANK, LTD.,
as a Lender

By: /s/ Marlon Mathews
Name: Marlon Mathews
Title: Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Brian Seipke
Name: Brian Seipke
Title: Senior Vice President

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

BANK OF CHINA, NEW YORK BRANCH,
as a Lender

By: /s/ Raymond Qiao
Name: Raymond Qiao
Title: Executive Vice President

UNICREDIT BANK AG, NEW YORK BRANCH,
as a Lender

By: /s/ Priya Trivedi
Name: Priya Trivedi
Title: Director

By: /s/ Thomas Petz
Name: Thomas Petz
Title: Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Derek Jensen
Name: Derek Jensen
Title: Vice President

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

BANCO BRADESCO S.A., NEW YORK BRANCH,
as a Lender

By: /s/ Roberto De Madureira Pará Diniz
Name: Roberto De Madureira Pará Diniz
Title: CPF: 335.459.178.19

By: /s/ Fabiana Paes de Barros
Name: 161.568 - Fabiana Paes de Barros
Title:

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Ming K Chu

Name: Ming K Chu ming.k.chu@db.com

Title: Director +1-212-250-5451

By: /s/ Annie Chung

Name: Annie Chung annie.chung@db.com

Title: Director +1-212-250-6375

STANDARD CHARTERED BANK,
as a Lender

By: /s/ James Beck
Name: James Beck
Title: Associate Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

DBS BANK LTD.,
as a Lender

By: /s/ Terence Yong
Name: Terence Yong
Title: Managing Director

KBC BANK NV, NEW YORK BRANCH,
as a Lender

By: /s/ Nicholas Fiore
Name: Nicholas Fiore
Title: Director

By: /s/ Francis Payne
Name: Francis Payne
Title: Managing Director

FLEX LTD.
SECOND AMENDMENT TO CREDIT AGREEMENT

**FLEX LTD.
2017 EQUITY INCENTIVE PLAN**

FORM OF RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (the “**Agreement**”) is made and entered into as of [insert date], (the “**Effective Date**”) by and between Flex Ltd., a Singapore corporation (the “**Company**”), and the participant named below (the “**Participant**”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Flex Ltd. 2017 Equity Incentive Plan (the “**Plan**”). The Participant understands and agrees that this Restricted Share Unit Award (the “**RSU Award**”) is granted subject to and in accordance with the express terms and conditions of the Plan and this Agreement including any country- specific terms set forth in Exhibit A to this Agreement. The Participant further agrees to be bound by the terms and conditions of the Plan and the terms and conditions of this Agreement. The Participant acknowledges receipt of a copy of Plan and the official prospectus for the Plan. A copy of the Plan and the official prospectus for the Plan are available at the offices of the Company and the Participant hereby agrees that the Plan and the official prospectus for the Plan are deemed delivered to the Participant.

Participant: «Name», «First»

Restricted Share Unit Award: «Shares»

Date of Grant: «Grant Date»

Vesting Criteria: Provided the Participant continues to provide services to the Company or to any Parent, Subsidiary, or Affiliate, the shares underlying this RSU Award shall be issued as follows: [insert vesting schedule]

Vesting Date	% of RSUs Vesting
1 st anniversary of the grant date	33.333% of the number of units granted
2 nd anniversary of the grant date	33.333% of the number of units granted
3 rd anniversary of the grant date	33.333% of the number of units granted

1. Grant of RSU Award.

1.1 Grant of RSU Award. Subject to the terms and conditions of the Plan and this Agreement, including any country-specific terms set forth in Exhibit A to this Agreement, the Company hereby grants to the Participant an RSU Award for the number of ordinary shares set forth above under “RSU Award” (the “**Shares**”).

(a) *Vesting Criteria*. The RSU Award shall vest, and the Shares shall be issuable to the Participant, according to the Vesting Criteria set forth above. If application of the Vesting Criteria causes vesting of a fractional Share, such Share shall be rounded down to the nearest whole Share. Shares that vest and are issuable pursuant to the Vesting Criteria are “**Vested Shares**.”

(b) *Termination of Service*. The RSU Award, all of the Company’s obligations and the Participant’s rights under this Agreement, shall terminate on the earlier of the Participant’s Termination Date (as defined in the Plan) or the date when all the Shares that are subject to the RSU Award have been allotted and issued, or forfeited in the case of any portion of the RSU Award that fails to vest; *provided, however*, that if the Participant has a Termination of Service due to Retirement, then (i) the RSU Award and all rights and obligations hereunder will not terminate and (ii) the RSU Award shall continue to vest in accordance with the Vesting Criteria; *provided, further*, that if within the period of time in which the RSU Award shall continue to vest, the Participant violates the terms of Sections 10 through 13 of this Agreement, a non-disclosure agreement with, or other confidentiality obligation owed to, the Company or any Parent, Subsidiary or Affiliate, then the RSU Award and all of the Company’s obligations and the Participant’s rights under this Agreement shall immediately terminate.

For purposes of this Agreement, “Retirement” shall mean the Participant’s voluntary Termination of Service after the Participant has attained age fifty-five (55) and completed at least five (5) years of service as an Employee of the Company or any Parent, Subsidiary or Affiliate; *provided* that the Participant’s age plus years of service equals at least sixty-five (65); *provided, further*, that the Participant provides, as may be required by the Company in its discretion, up to 6 months of written notice of such Retirement which is irrevocable by the Participant.

(c) *Termination of Service due to Death or Disability.* Notwithstanding anything in this Agreement to the contrary, if the Participant has a Termination of Service due to death or Disability, then (i) the RSU Award and all rights and obligations hereunder will not terminate and (ii) the RSU Award shall immediately vest in full and become one hundred percent (100%) vested.

For purposes of this Agreement, “Disability” shall mean inability of the Participant to perform in all material respects his or her duties and responsibilities to the Company or any Parent, Subsidiary or Affiliate, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the CEO, or the Committee as to the CEO or the CEO’s direct reports, may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the CEO, or the Committee in the case of the CEO or the CEO’s direct reports.

(d) *Allotment and Issuance of Vested Shares.* The Company shall allot and issue the Vested Shares as soon as practicable after such Shares have vested pursuant to the Vesting Criteria. The Company shall have no obligation to allot and issue, and the Participant will have no right or title to, any Shares, and no Shares will be allotted and issued to the Participant, until satisfaction of the Vesting Criteria.

(e) *No Obligation to Employ.* Nothing in the Plan or this Agreement shall confer on the Participant any right to continue in the employ of, or other relationship with, the Company or any Parent, Subsidiary or Affiliate or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate to terminate the Participant’s employment or service relationship at any time, with or without cause.

(f) *Nontransferability of RSU Award.* None of the Participant’s rights under this Agreement or under the RSU Award may be transferred in any manner other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participants in the U.S. may transfer or assign the RSU Award to Family Members (as defined in the Plan) through a gift or a domestic relations order (and not in a transfer for value), or as otherwise allowed by the Plan. The terms of this Agreement shall be binding upon the executors, administrators, successors and assigns of the Participant.

(g) *Privileges of Share Ownership.* The Participant shall not have any of the rights of a shareholder until the Vested Shares are allotted and issued after the applicable vest date.

(h) *Interpretation.* Any dispute regarding the interpretation of the terms and provisions with respect to the RSU Award and this Agreement shall be submitted by the Participant or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and on the Participant.

1.2 Title to Shares. Title will be provided in the Participant’s individual name on the Company’s records unless the Participant otherwise notifies Stock Administration of an alternative designation in compliance with the terms of this Agreement and applicable laws.

2. Delivery.

2.1 Deliveries by Participant. The Participant hereby delivers to the Company this Agreement.

2.2 Deliveries by the Company. The Company will issue a duly executed share certificate or other documentation evidencing the Vested Shares in the name specified in Section 1.2 above upon vesting, provided the Participant has delivered and executed this Agreement prior to the applicable vesting date and has remained continuously employed by the Company or a Parent, Subsidiary, or Affiliate through each applicable vesting date.

3. Compliance with Laws and Regulations. The issuance and transfer of the Shares to the Participant shall be subject to and conditioned upon compliance by the Company and the Participant with all applicable requirements of any share exchange or automated quotation system on which the Company’s Ordinary Shares may be listed at the time of such issuance or transfer. The Participant understands that the Company is under no obligation to register or qualify the Shares with the U.S. Securities and Exchange Commission, any state, local or foreign securities commission or any share exchange to effect such compliance.

4. Rights as Shareholder. Subject to the terms and conditions of this Agreement, the Participant will have all of the rights of a shareholder of the Company with respect to the Vested Shares which have been allotted and issued to the Participant until such time as the Participant disposes of such Vested Shares.

5. Stop-Transfer Orders.

5.1 Stop-Transfer Instructions. The Participant agrees that, to ensure compliance with the restrictions imposed by this Agreement, the Company may issue appropriate “stop-transfer” instructions to its transfer agent, if any, and if the Company administers transfers of its own securities, it may make appropriate notations to the same effect in its own records.

5.2 Refusal to Transfer. The Company will not be required (i) to register in its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares, or to accord the right to vote or pay dividends to any Participant or other transferee to whom such Shares have been so transferred.

6. Taxes and Disposition of Shares.

6.1 Tax Obligations.

(a) Regardless of any action the Company or the Participant’s employer (the “Employer”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items arising out of the Participant’s participation in the Plan and legally applicable to the Participant (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company and/or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSU Award, including but not limited to, the grant, vesting or issuance of Vested Shares underlying the RSU Award, the subsequent sale of Vested Shares acquired upon vesting and the receipt of any dividends; and (b) do not commit and are under no obligation to structure the terms of the grant or any aspect of the RSU Award to reduce or eliminate the Participant’s liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Participant has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, the Participant shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the Tax-Related Items by one or a combination of the following (1) withholding from the Participant’s wages or other cash compensation paid to the Participant by the Company, the Employer, or any Parent or Subsidiary of the Company; or (2) withholding from the proceeds of the sale of Vested Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant’s behalf pursuant to this authorization); or (3) withholding in Shares to be issued at vesting of the RSU Award.

(c) To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates.

(d) The Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant’s participation in the Plan that cannot be satisfied by the means previously described in this section. The Company may refuse to issue or deliver the Vested Shares or the proceeds from the sale of Shares, if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

6.2 Disposition of Shares. Participant hereby agrees that the Participant shall make no disposition of the Shares (other than as permitted by this Agreement) unless and until the Participant shall have complied with all requirements of this Agreement applicable to the disposition of the Shares.

7. Nature of Grant. In accepting the RSU Award, the Participant acknowledges and agrees that:

- (a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;
 - (b) the grant of the RSU Award is voluntary and occasional and does not create any contractual or other right to receive future RSU Awards, or benefits in lieu of RSU Awards, even if RSU Awards have been granted repeatedly in the past;
 - (c) all decisions with respect to future RSU Awards, if any, will be at the sole discretion of the Company;
 - (d) the Participant’s participation in the Plan is voluntary;
 - (e) the future value of the Shares underlying the RSU Award is unknown and cannot be predicted with certainty;
 - (f) no claim or entitlement to compensation or damages shall arise from the forfeiture of the RSU Award resulting from a Termination of Service (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of
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the RSU Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company and/or the Employer, waives the Participant's ability, if any, to bring any such claim, and releases the Company and/or the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and

(g) for the Participants residing outside of the U.S.A.:

(A) the RSU Award and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;

(B) the RSU Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for the Employer, the Company or any Parent, Subsidiary or Affiliate; and

(C) in the event of the Participant's Termination of Service (whether or not in breach of local labor laws), the Participant's right to vest in the RSU Award under the Plan, if any, will terminate effective as of the date of Termination of Service and; the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of this RSU Award.

8. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the sale of the Shares acquired upon vesting of the RSU Award. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

9. Data Privacy.

(a) The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other RSU Award materials by and among, as applicable, the Employer, the Company and its Parent, Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

(b) The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSU Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

(c) The Participant understands that Data will be transferred to the Company stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections from the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, the Company stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant understands, however, that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

10. Confidential Information.

(a) The Participant acknowledges that the Company's business and services are highly specialized, the identity and particular needs of the Company's customers, suppliers, and independent contractors are not generally known, and the documents, records, and information regarding the Company's customers, suppliers, independent contractors, services, methods of

operation, policies, procedures, sales, pricing, and costs are highly confidential information and constitute trade secrets. Participant further acknowledges that the services rendered to the Company by Participant have been or will be of a special and unusual character which have a unique value to the Company and that Participant has had or will have access to trade secrets and confidential information belonging to the Company, the loss of which cannot be adequately compensated by damages in an action at law.

- (b) Participant agrees to not use for any purpose or disclose to any person or entity any Confidential Information, except as required in the performance of Participant's duties to the Company. "Confidential Information" means information that the Company has obtained in connection with its present or planned business, including information Participant developed in the performance of Participant's duties for the Company, the disclosure of which could result in a competitive or other disadvantage to the Company. "Confidential Information" includes, but is not limited to, all information of Company to which Participant has had or will have access, whether in oral, written, graphic or machine-readable form, including without limitation, records, lists, specifications, operations or systems manuals, decision processes, policies, procedures, profiles, system and management architectures, diagrams, graphs, models, sketches, technical data, research, business or financial information, plans, strategies, forecasts, forecast assumptions, business practices, marketing information and material, customer names, vendor lists, independent contractor lists, identities, or information, proprietary ideas, concepts, know-how, methodologies and all other information related to Company's business and/or the business of any of its affiliates, knowledge of the Company's customers, suppliers, employees, independent contractors, methods of operation, trade secrets, software, software code, methods of determining prices. Confidential Information shall also include all information of a third party to which Company and/or any of its affiliates have access and to which Participant has had or will have access. Participant will not, directly or indirectly, copy, take, disclose, or remove from the Company's premises, any of the Company's books, records, customer lists, or any Confidential Information. Participant acknowledges and understands that, pursuant to the Defend Trade Secrets Act of 2016: An individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the individual's attorney and use the trade secret information in the court proceeding if the individual: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

11. Employee Non-Solicitation. The employee non-solicitation provisions contained in Section 11(a) to 11(c) apply to all Participants.

- (a) Non-Solicitation of Employees During Employment. During the term of Participant's employment with the Company, Participant will not, either on Participant's own account or for any person, firm, partnership, corporation, or other entity (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.
- (b) Non-Solicitation of Employees After Employment. After Participant's separation from employment with the Company for any reason whatsoever, Participant will not, either on Participant's own account or for any person, firm, partnership, corporation, or other entity, use the Company's trade secrets to (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.
- (c) Anti-Raiding of Employees. Participant agrees that for a period of one year after Participant's separation from employment with the Company for any reason whatsoever, whether using the Company's trade secrets or not, Participant shall not disrupt, damage, impair, or interfere with the Company's business by raiding the Company's employees.

12. Customer Non-Solicitation. The customer non-solicitation provisions contained in Section 12(a) to 12(b) apply to all Participants who provide or have provided services to the Company outside the state of California.

- (a) Non-Solicitation of Customers During Employment. During the term of Participant's employment with the Company, Participant will not solicit, induce, or attempt to induce any past or current customer of the Company (a) to cease doing business, in whole or in part, with the Company; or (b) to do business with any other person, firm, partnership, corporation, or other entity which performs services similar to or competitive with those provided by the Company.
- (b) Non-Solicitation of Customers After Employment. After Participant's separation from employment with the Company for any reason whatsoever, Participant will not, either on Participant's own account or for any person, firm, partnership, corporation, or other entity, use the Company's trade secrets to solicit, induce, or attempt to induce any past or current customer of the Company (a) to cease doing business, in whole or in part, with the Company; or (b) to do business with any
-

other person, firm, partnership, corporation, or other entity which performs services similar to or competitive with those provided by the Company.

13. Non-Compete. The non-compete provision contained in this Section 13 applies to all Participants who provide or have provided services to the Company outside the state of California.

For a period of twelve (12) months following the date on which Participant's employment with the Company terminates for any reason, regardless of whether the termination is initiated by Participant or the Company, Participant agrees that Participant will not: (i) accept employment with, be employed by or provide services (as an employee, consultant, independent contractor or in any other capacity) to any competitor of the Company; and (ii) own (other than the ownership of five percent or less of the shares of a publicly traded company) or operate a business that is a competitor of the Company. For purposes of this section, the term "competitor" shall mean any business, company or entity that provides any products or services that are the same as, similar to, or compete with the products and services provided by the Company.

14. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement and in the Plan, this Agreement will be binding upon the Participant and the Participant's heirs, executors, administrators, legal representatives, successors and assigns.

15. Governing Law; Venue; Severability. This Agreement shall be governed by and construed in accordance with the internal laws of the state where you reside, where this Agreement is made or to be performed, excluding that body of laws pertaining to conflict of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the state where you reside and agree that such litigation shall be conducted only in the applicable federal courts for the state where you reside, or if the issue cannot be adjudicated by federal courts, then the state courts for the state where you reside. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

16. Notices. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Vice President of Finance of the Company at its corporate offices at 847 Gibraltar Drive, Milpitas, California 95035. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address indicated on the signature page hereto or to such other address as the Participant may designate in writing from time to time to the Company. All notices shall be deemed effectively given upon personal delivery, three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), one (1) business day after its deposit with any return receipt express courier (prepaid), or one (1) business day after transmission by facsimile.

17. Headings. The captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement. All references herein to Sections will refer to Sections of this Agreement.

18. Language. If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

19. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Exhibit A. Notwithstanding any provision in this Agreement to the contrary, the RSU Award shall be subject to any special terms and provisions as set forth in Exhibit A to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Exhibit A, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Exhibit A constitutes part of this Agreement.

21. Code Section 409A. With respect to U.S. taxpayers, it is intended that the terms of the RSU Award will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Participant to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Participant, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance. In that light, the Company makes no representation or covenant to ensure that the RSU Awards that are intended to be exempt from, or

compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto.

22. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant’s participation in the Plan, on the RSU Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

23. Remedies. In addition to all of the remedies otherwise available to the Company, the Company shall have the right to injunctive relief to restrain and enjoin any actual or threatened breach of Sections 10, 11, 12 and 13 of this Agreement. All of the Company’s remedies for breach of this Agreement shall be cumulative and the pursuit of one remedy will not be deemed to exclude any other remedies.

24. Entire Agreement. The Plan and this Agreement, together with all its Exhibits, constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to the specific subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

FLEX LTD.

PARTICIPANT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Address: _____

**FLEX LTD. 2017 EQUITY INCENTIVE PLAN
EXHIBIT A TO THE
RESTRICTED SHARE UNIT AWARD AGREEMENT
FOR NON-U.S. PARTICIPANTS**

Terms and Conditions

This Exhibit A includes additional terms and conditions that govern the RSU Award granted to the Participant under the Plan if the Participant resides in one of the countries listed below. Certain capitalized terms used but not defined in this Exhibit A have the meanings set forth in the Plan and/or the Agreement.

Notifications

This Exhibit A also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of July 2010. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Exhibit A as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the RSU Award vests and Shares are issued to the Participant or the Participant sells Shares acquired upon vesting of the RSU Award under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working or transfers employment after the Date of Grant, the information contained herein may not be applicable to the Participant.

AUSTRIA

Notifications

Exchange Control Information. If the Participant holds Shares acquired under the Plan outside of Austria, the Participant must submit a report to the Austrian National Bank. An exemption applies if the value of the shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

When the Participant sells Vested Shares issued under the Plan, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all the Participant's accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

Consumer Protection Information. To the extent that the provisions of the Austrian Consumer Protection Act are applicable to the Agreement and the Plan, the Participant may be entitled to revoke his or her acceptance of the Agreement if the conditions listed below are met:

- (i) If the Participant accepts the RSU Award outside of the business premises of the Company, the Participant may be entitled to revoke his or her acceptance of the Agreement, provided the revocation is made within one week after the Participant accepts the Agreement.
- (ii) The revocation must be in written form to be valid. It is sufficient if the Participant returns the Agreement to the Company or the Company's representative with language that can be understood as the Participant's refusal to conclude or honor the Agreement, provided the revocation is sent within the period set forth above.

BRAZIL

Notifications

Compliance with Law. By accepting the RSU Award, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the RSU Award, the receipt of any dividends, and the sale of Vested Shares issued under the Plan.

Exchange Control Information. If the Participant is a resident or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000 (approximately BRL318,870 as of September 2017). Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the Participant's date of admittance as a resident of Brazil. Assets and rights that must be reported include Shares issued upon vesting of the RSU Award under the Plan.

CANADA

Terms and Conditions

French Language Provision. The following provision will apply if the Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Termination of Service. This provision supplements Section 1.1(c) of the Agreement:

In the event of involuntary Termination of Service (whether or not in breach of local labor laws), the Participant's right to receive and vest in the RSU Award under the Plan, if any, will terminate effective as of the date that is the earlier of: (1) the date the Participant receives notice of Termination of Service from the Company or the Employer, or (2) the date the Participant is no longer actively providing service by the Company or his or her Employer regardless of any notice period or period of pay in lieu of such notice required under local law (including, but not limited to, statutory law, regulatory law and/or common law); the Committee shall have the exclusive discretion to determine when the Participant no longer actively providing service for purposes of the RSU Award.

Data Privacy. This provision supplements Section 9 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company, any Parent, Subsidiary or Affiliate and the Committee to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any Parent, Subsidiary or Affiliate to record such information and to keep such information in the Participant's employee file.

Notifications

Grant of RSU Award. The RSU Award does not constitute compensation nor is in any way related to the Participant's past services and/or employment to the Company, the Employer, and/or a Parent, Subsidiary or Affiliate of the Company.

CHINA

Terms and Conditions

Issuance of Vested Shares and Sale of Shares. This provision supplements Section 1.1(d) of the Agreement:

Due to local regulatory requirements, upon the vesting of the RSU Award, the Participant agrees to the immediate sale of any Vested Shares to be issued to the Participant upon vesting and settlement of the RSU Award. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Vested Shares (on the Participant's behalf pursuant to this authorization) and the Participant expressly authorizes the Company's designated broker to complete the sale of such Vested Shares. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Vested Shares at any particular price. Upon the sale of the Vested Shares, the Company agrees to pay the Participant the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

Exchange Control Requirements. The Participant understands and agrees that, pursuant to local exchange control requirements, the Participant will be required to immediately repatriate the cash proceeds from the sale of Vested Shares underlying the RSU Award to China. The Participant further understands that, under local law, such repatriation of his or her cash proceeds may need to be effectuated through a special exchange control account established by the Company, any Parent, Subsidiary, Affiliate or the Employer, and the Participant hereby consents and agrees that any proceeds from the sale of Vested Shares may be transferred to such special account prior to being delivered to the Participant. The Company is under no obligation to secure any exchange conversion rate, and the Company may face delays in converting the proceeds to local currency due to exchange control restrictions in China. The Participant agrees to bear any currency fluctuation risk between the time the Vested Shares are sold and the time the sale proceeds are

distributed through any such special exchange account. The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China. These requirements will not apply to non-PRC citizens.

CZECH REPUBLIC

Notifications

Exchange Control Information. Upon request of the Czech National Bank, the Participant may need to file a notification within 15 days of the end of the calendar quarter in which he or she acquires Shares pursuant to the Plan.

DENMARK

Notifications

Danish Stock Options Act. The Participant will receive an Employer Statement pursuant to the Danish Act on Stock Options.

Exchange Control/Tax Reporting Information. If the Participant holds Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, the Participant is required to inform the Danish Tax Administration about the account. For this purpose, the Participant must file a Form V (*Erklaering V*) with the Danish Tax Administration. The Form V must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form V, the broker or bank undertakes to forward information to the Danish Tax Administration concerning the Vested Shares in the account without further request each year. By signing the Form V, the Participant authorizes the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: www.skat.dk.

In addition, if the Participant opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, the Participant is also required to inform the Danish Tax Administration about this account. To do so, the Participant must also file a Form K (*Erklaering K*) with the Danish Tax Administration. The Form K must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, the Participant authorizes the Danish Tax Administration to examine the account. A sample of Form K can be found at the following website: www.skat.dk.

FINLAND

There are no country specific provisions.

FRANCE

Term and Conditions

Language Consent. By accepting the RSU Award, the Participant confirms having read and understood the documents relating to this grant (the Plan, the Agreement and this Exhibit A) which were provided in English language. The Participant accepts the terms of those documents accordingly.

En acceptant l'attribution, vous confirmez ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan, le contrat et cette Annexe) qui ont été communiqués en langue anglaise. Vous acceptez les termes en connaissance de cause.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Participant uses a German bank to effect a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will make the report for the Participant. In addition, the Participant must report any receivables or payables or debts in foreign currency exceeding an amount of €5,000,000 on a monthly basis. Finally, the Participant must report Shares on an annual basis that exceeds 10% of the total voting capital of the Company.

HONG KONG

Terms and Conditions

Warning: The RSU Award and Shares acquired upon vesting of the RSU Award do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, its Parent, Subsidiary or Affiliates. The Agreement, including this Exhibit A, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The RSU Award is intended only for the personal use of each eligible Employee of the Employer, the Company or any Parent, Subsidiary or Affiliate and may not be distributed to any other person. If the Participant is in any doubt about any of the contents of the Agreement, including this Exhibit A, or the Plan, the Participant should obtain independent professional advice.

Sale Restriction. Notwithstanding anything contrary in the Notice, the Agreement or the Plan, in the event the Participant’s RSU Award vests such that Vested Shares are issued to the Participant or his or her heirs and representatives within six months of the Date of Grant, the Participant agrees that the Participant or his or her heirs and representatives will not dispose of any Vested Shares acquired prior to the six-month anniversary of the Date of Grant.

Notifications

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

HUNGARY

There are no country specific provisions.

INDIA

Notifications

Exchange Control Information. The Participant must repatriate the proceeds from the sale of Vested Shares acquired under the Plan within 90 days after receipt. The Participant must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Employer requests proof of repatriation. It is the Participant’s responsibility to comply with applicable exchange control laws in India.

IRELAND

Notifications

Director Notification Obligation. Directors, shadow directors and secretaries of the Company’s Irish Subsidiary or Affiliate are subject to certain notification requirements under the Irish Companies Act. Directors, shadow directors and secretaries must notify the Irish Subsidiary or Affiliate in writing of their interest in the Company and the number and class of Shares or rights to which the interest relates within five days of the issuance or disposal of Shares or within five days of becoming aware of the event giving rise to the notification. This disclosure requirement also applies to any rights or Shares acquired by the director’s spouse or children (under the age of 18).

ISRAEL

There are no country specific provisions.

ITALY

Terms and Conditions

Data Privacy. This provision replaces Section 9 of the Agreement:

The Participant understands that the Company and the Employer as the Privacy Representative of the Company in Italy, may hold certain personal information about the Participant, including, but not limited to, the Participant’s name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any Parent, Subsidiary or Affiliate, details of all RSU Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant’s favor, and that the Company and the Employer will process said data and other data lawfully received from third party (“Personal Data”) for the exclusive purpose of managing and administering the Plan and

complying with applicable laws, regulations and Community legislation. The Participant also understands that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that the Participant's denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant's ability to participate in the Plan. The Participant understands that Personal Data will not be publicized, but it may be accessible by the Employer as the Privacy Representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing, and by the data Processor, if appointed. The updated list of Processors and of the subjects to which Data are communicated will remain available upon request at the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. The Participant understands that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. The Participant further understands that the Company and any Parent, Subsidiary or Affiliate will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and that the Company and any Parent, Subsidiary or Affiliate may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to a broker or other third party with whom the Participant may elect to deposit any Vested Shares acquired under the Plan or any proceeds from the sale of such Shares. Such recipients may receive, possess, use, retain and transfer Personal Data in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that these recipients may be acting as Controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.

Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

The Participant understands that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable laws and regulations, does not require the Participant's consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. The Participant understands that, pursuant to section 7 of the Legislative Decree no. 196/2003, he or she has the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, blocked or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, the Participant should contact the Employer. Furthermore, the Participant is aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's human resources department.

Plan Document Acknowledgement. The Participant acknowledges that the Participant has read and specifically and expressly approves the following sections of the Agreement: Section 1: Grant of RSU Award; Section 2: Delivery; Section 3: Compliance with Laws and Regulations; Section 4: Rights as Shareholder; Section 5: Stop-Transfer Orders; Section 6: Taxes and Disposition of Shares; Section 7: Nature of Grant; Section 8: No advice Regarding Grant; Section 11: Governing Law; Venue; Section 15: Electronic Delivery; Section 16: Exhibit A; Section 18: Imposition of Other Requirements; and the Data Privacy section of this Exhibit A.

Notifications

Exchange Control Information. To participate in the Plan, the Participant must comply with exchange control regulations in Italy. The Participant is required to report in his or her annual tax return: (a) any transfers of cash or Vested Shares to or from Italy exceeding €10,000; (b) any foreign investments or investments held outside of Italy at the end of the calendar year exceeding €10,000 if such investments (Vested Shares) that may give rise to taxable income in Italy that combined with other foreign assets exceeds €10,000; and (c) the amount of the transfers to and from Italy which have had an impact during the calendar year on the Participant's foreign investments or investments held outside of Italy. The Participant may be exempt from the requirement in (a) if the transfer or investment is made through an authorized broker resident in Italy, as the broker will generally comply with the reporting obligation on his or her behalf.

JAPAN

There are no country specific provisions.

KOREA

Notifications

Exchange Control Information. If the Participant realizes US\$500,000 (approximately KRW 571,700,000 as of September 2017) or more from the sale of Shares, Korean exchange laws require the Participant to repatriate the proceeds to Korea within eighteen months of the sale.

MALAYSIA

Notifications

Malaysian Insider Trading Notification. The Participant should be aware of the Malaysian insider-trading rules, which may impact his or her acquisition or disposal of Shares or rights to Shares under the Plan. Under the Malaysian insider-trading rules, the Participant is prohibited from selling Shares when he or she is in possession of information which is not generally available and which he or she knows or should know will have a material effect on the value of the Shares once such information is generally available.

Director Notification Obligation. If the Participant is a director of the Company's Malaysian Subsidiary, he or she is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary in writing when the Participant receives or disposes of an interest (*e.g.*, RSU Award, Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

No Entitlement for Claims or Compensation. The following section supplements Section 7 of the Agreement:

Modification. By accepting the RSU Award, the Participant understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The RSU Award grant the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at One Marina Boulevard, #28-00, Singapore 018989, is solely responsible for the administration of the Plan, and participation in the Plan and the grant of the RSU Award do not, in any way, establish an employment relationship between the Participant and the Company since he or she is participating in the Plan on a wholly commercial basis and the sole employer is Availmed Servicios S.A. de C.V., Grupo Flextronics S.A. de C.V., Flextronics Servicios Guadalajara S.A. de C.V., Flextronics Servicios Mexico S. de R.L. de C.V. and Flextronics Aguascalientes Servicios S.A. de C.V., nor does it establish any rights between the Participant and the Employer.

Plan Document Acknowledgment. By accepting the RSU Award, the Participant acknowledges that he or she has received copies of the Plan, has reviewed the Plan and the Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, the Participant further acknowledges that he or she has read and specifically and expressly approves the terms and conditions in the Nature of Grant section of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Parent, Subsidiary or Affiliates are not responsible for any decrease in the value of the Shares acquired upon vesting of the RSU Award.

Finally, the Participant hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of his or her participation in the Plan and therefore grants a full and broad release to the Employer, the Company and any Parent, Subsidiary or Affiliates with respect to any claim that may arise under the Plan.

Spanish Translation Condiciones y duración

Sin derecho a reclamo o compensación: La siguiente sección complementa la sección 7 de este Acuerdo:

Modificación: Al aceptar el Otorgamiento de Acciones por Bonificación, el Participante entiende y acuerda que cualquier modificación del Plan o del Acuerdo o su extinción, no constituirá un cambio o disminución de los términos y condiciones de empleo.

Declaración de Política: El Otorgamiento de Acciones por Bonificación por parte de la Compañía es efectuada bajo el Plan en forma unilateral y discrecional y por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el Otorgamiento de Acciones en cualquier momento sin responsabilidad alguna hacia la Compañía.

La Compañía, con oficinas registradas en One Marina Boulevard, #28-00, Singapore 018989 es la única responsable de la administración de los Planes y de la participación en los mismos y el otorgamiento de el Otorgamiento de Acciones por Bonificación no establece de forma alguna una relación de trabajo entre el Participante y la Compañía, ya que su participación en el Plan es completamente comercial y el único empleador es Availmed Servicios S.A. de C.V., Grupo Flextronics S.A. de C.V., Flextronics Servicios Guadalajara S.A. de C.V., Flextronics Servicios Mexico S. de R.L. de C.V. and Flextronics Aguascalientes, así como tampoco establece ningún derecho entre el Participante y el Empleador.

Reconocimiento del Documento del Plan. Al aceptar la el Otorgamiento de Acciones por Bonificación, el Participante reconoce que ha recibido copias de los Planes, ha revisado los mismos, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en los Planes y en el Acuerdo.

Además, el Participante reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la sección Naturaleza del Otorgamiento en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en los Planes no constituye un derecho adquirido; (ii) los Planes y la participación en los mismos es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en los Planes es voluntaria; y (iv) la Compañía, así como su Sociedad controlante, Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las Acciones adquiridas a través del conferimiento del Otorgamiento de Acciones por Bonificación.

Finalmente, el Participante declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Sociedad controlante, Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud de los Planes.

NETHERLANDS

Notifications

Securities Law Information. The Participant should be aware of the Dutch insider-trading rules, which may impact the sale of Shares acquired under the Plan. In particular, the Participant may be prohibited from effectuating certain transactions if the Participant has inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “insider information” related to an issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any Employee in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain Employees working at a Parent, Subsidiary or Affiliate in the Netherlands may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the Participant has such inside information.

If the Participant is uncertain whether the insider-trading rules apply to him or her, he or she should consult his or her personal legal advisor.

NORWAY

There are no country specific provisions.

POLAND

Terms and Conditions

Restriction on Type of Shares Issued. Due to tax regulations in Poland, as necessary, the Participant's Vested Shares will be settled in newly issued Shares only. Treasury Shares will not be used to satisfy the RSU Award upon vesting.

ROMANIA

Notifications

Exchange Control Information. If the Participant remits foreign currency into or out of Romania (e.g., the proceeds from the sale of his or her Vested Shares), the Participant may have to provide the Romanian bank assisting with the transaction with appropriate documentation explaining the source of the income. *The Participant should consult his or her personal legal advisor to determine whether the Participant will be required to submit such documentation to the Romanian bank.*

SINGAPORE

Notifications

Securities Law Information. The RSU Award is being granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the RSU Award is subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale in Singapore of the Shares acquired under the Plan, or any offer of such subsequent sale of the Shares acquired under the Plan unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Cap 289, 2006 Ed.).

Director Notification Obligation. If the Participant is a director, associate director or shadow director of the Company or a Singapore Subsidiary or Affiliate, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company or the Singaporean Subsidiary or Affiliate in writing when the Participant receives an interest (e.g., RSU Award, Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, the Participant must notify the Company or the Singapore Subsidiary or Affiliate when the Participant sells Shares of the Company or any related company (including when the Participant sell Shares acquired under the Plan). These notifications must be made within two days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Participant's interests in the Company or any related company within two days of becoming a director.

SLOVAK REPUBLIC

There are no country specific provisions.

SOUTH AFRICA

Terms and Conditions

Tax Obligations. The following provision supplements Section 6.1 of the Agreement:

By accepting the RSU Award, the Participant agrees to notify the Employer of the amount of any gain realized at vesting and settlement of the RSU Award. If the Participant fails to advise the Employer of the gain realized at vesting and settlement of the RSU Award, he or she may be liable for a fine.

Notifications

Exchange Control Information. *The Participant should consult his or her personal advisor to ensure compliance with applicable exchange control regulations in South Africa, as such regulations are subject to frequent change.* The Participant is solely responsible for complying with all exchange control laws in South Africa, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Participant's failure to comply with South African exchange control laws.

SWEDEN

There are no country specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The RSU Award is considered a private offering in Switzerland; therefore, it is not subject to registration.

TAIWAN

Notifications

Exchange Control Information. The Participant may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to US\$5,000,000 (approximately TWD 151,565,000 as of September 2017) per year. If the transaction amount is TWD 500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

TURKEY

Notifications

Securities Law Information. Under Turkish law, the Participant is not permitted to sell the Shares acquired under the Plan in Turkey.

UNITED KINGDOM

Terms and Conditions

Tax Obligations. The following provisions supplement Section 6.1 of the Agreement:

The Participant agrees that, if Participant does not pay or the Employer or the Company does not withhold from the Participant the full amount of Tax-Related Items that the Participant owes at vesting/settlement of the RSU Award, or the release or assignment of the RSU Award for consideration, or the receipt of any other benefit in connection with the RSU Award (the “Taxable Event”) within 90 days after the Taxable Event, or such other period specified in section 222(1) (c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by the Participant to the Employer, effective 90 days after the Taxable Event. The Participant agrees that the loan will bear interest at the HMRC’s official rate and will be immediately due and repayable by the Participant, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to the Participant by the Employer, by withholding in Shares issued upon vesting of the RSU Award or from the cash proceeds from the sale of Vested Shares or by demanding cash or a check from the Participant. The Participant also authorizes the Company to delay the issuance of any Vested Shares unless and until the loan is repaid in full.

Notwithstanding the foregoing, if the Participant is an officer or executive director (as within the meaning of section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Participant is an officer or executive director and Tax-Related Items are not collected from or paid by Participant within 90 days of the Taxable Event, the amount of any uncollected Tax-Related Items may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant acknowledges that the Company or the Employer may recover any such additional income tax and National Insurance Contributions at any time thereafter by any of the means referred to in Section 6.1 Agreement, although the Participant acknowledges that he/she ultimately will be responsible for reporting any income tax or National Insurance Contributions due on this additional benefit directly to the HMRC under the self-assessment regime.

National Insurance Contributions Acknowledgment. As a condition of participation in the Plan and the vesting of the RSU Award, the Participant agrees to accept any liability for secondary Class 1 National Insurance Contributions which may be payable by the Company and/or the Employer in connection with the RSU Award and any event giving rise to Tax-Related Items (the “Employer NICs”). To accomplish the foregoing, the Participant agrees to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the “Joint Election”), and any other required consent or election. The Participant further agrees to execute such other joint elections as may be required between the Participant and any successor to the Company and/or the Employer. The Participant further agrees that the Company and/or the Employer may collect the Employer NICs from the Participant by any of the means set forth in Section 6.1 of the Agreement.

If the Participant does not enter into a Joint Election prior to vesting of the RSU Award or if approval of the Joint Election has been withdrawn by HMRC, the RSU Award shall become null and void without any liability to the Company and/or the Employer and the Company may choose not to issue or deliver Shares upon vesting of the RSU Award.

**FLEX LTD.
2017 EQUITY INCENTIVE PLAN**

FORM OF RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (the “**Agreement**”) is made and entered into as of [«Grant Date»], (the “**Effective Date**”) by and between Flex Ltd., a Singapore corporation (the “**Company**”), and the participant named below (the “**Participant**”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Flex Ltd. 2017 Equity Incentive Plan (the “**Plan**”). The Participant understands and agrees that this Restricted Share Unit Award (the “**RSU Award**”) is granted subject to and in accordance with the express terms and conditions of the Plan and this Agreement including any country- specific terms set forth in Exhibit A to this Agreement. The Participant further agrees to be bound by the terms and conditions of the Plan and the terms and conditions of this Agreement. The Participant acknowledges receipt of a copy of Plan and the official prospectus for the Plan. A copy of the Plan and the official prospectus for the Plan are available at the offices of the Company and the Participant hereby agrees that the Plan and the official prospectus for the Plan are deemed delivered to the Participant.

PRIMARY INFORMATION

Participant:	«First» «Last»
Target Shares:	«Target Shares»
Maximum Shares:	200% of Target
Date of Grant:	«Grant Date»
Performance Criteria:	Vesting is based on the percentile rank of the Company’s Total Shareholder Return (TSR) in S&P 500 Index Companies.
Payout Table:	Payouts can range from 0 – 200% of the Target Shares based on the achievement levels set forth in the chart below:

	Percentile Rank of Flex TSR in S&P 500 Index Companies	Awards Earned as a % of the Target
Maximum	>75th Percentile	200%
	50th – 75th Percentile	Interpolate
Target Shares	50th Percentile	100%
	30th – 50th Percentile	Interpolate
Threshold	30th Percentile	25%
	<30th Percentile	0%

Performance Period:	Vesting is contingent on achieving the Performance Criteria at the 1st, 2nd and 3rd grant date anniversaries (average percentile rank of the three performance periods) as set forth more specifically in the definition of “Measurement Period” below.
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DEFINITIONS AND ADDITIONAL INFORMATION

S&P 500 Index:	The S&P 500 is a capitalization-weighted index operated by Standard and Poor’s and used as a “Leading Indicator” of United States economy. The Index trades with the ticker symbol of SPX or ^GSPC.
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Total Shareholder Return: Total Shareholder Return (TSR) is used to represent the cumulative return of an investment and includes both the change in the stock price as well as Dividend Value from a specified start and ending period. The formula for the calculation is as follows:

$$\text{TSR} = (\text{Price End} - \text{Price Begin} + \text{Dividend Value}) / \text{Price Begin}$$

Payout Calculation: The Payout is determined by calculating the Total Shareholder Return of every company within the S&P 500 Index Companies Group and determining the percentile rank of Flex's Total Shareholder Return as compared to the S&P 500 Index Companies Group (that is, the number of members of the S&P 500 Index Companies with Total Shareholder Returns at or below the Total Shareholder Return of Flex).

The formula for this calculation is as follows:

$$(\text{B} + .5\text{E}) / \text{N} * 100$$

Where

B = Number of S&P 500 Index Companies TSRs below Flex's TSR
E = Number of TSRs Equal to Company TSR

N = The number of Companies in the S&P 500 Index

	Percentile Rank of Flex TSR in S&P 500 Index Companies	Awards Earned as a % of the Target
Maximum	>75th Percentile	200%
	50th – 75th Percentile	Interpolate
Target Shares	50th Percentile	100%
	30th – 50th Percentile	Interpolate
Threshold	30th Percentile	25%
	<30th Percentile	0%

Payout Interpolation: If the minimum payout is not reached, then the shares will be forfeited. If performance payouts are reached, shares will be rewarded on an interpolated basis between 25% and 200% of the target shares per the Payout Table above. Fractional percentage points will be rounded to nearest % point and fractional shares awarded will be rounded down the nearest whole share.

20-Day Trading Average for Measuring Performance: To avoid the effects of short-term price fluctuations, a 20-Day Trading Average will be used for measuring the Performance Criteria, and will be calculated using a basic average of Flex's and the S&P 500 Index Companies' Closing Prices on the previous 20 trading days prior to ,20 and Measurement Ending Dates.

$$\text{20-Day Trading Average} = (\text{Sum of Prior 20 day Closing Prices}) / 20$$

Measurement Period: All three Measurement Periods used to calculate the TSR will start on , 20 . The first measurement period will end on __, 20. The second measurement period will end on __, 20. The third measurement period will end __, 20 .

Vesting / Release Date: If the Performance Criteria is met, shares will vest or be released on the next business day following the 3rd anniversary of the grant. The Release Date will be as soon as administratively possible, following the end of the performance period and certification of results by the Flex Compensation Committee of the Board of Directors. Applicable tax withholding and reporting will be contingent on the Closing Price of Flex Stock on the Release Date.

Closing Price Methodology: Only the Daily Closing Price will be used to determine Total Shareholder Return values as by reported by the Wall Street Journal or any other reputable financial services information provider.

Dividend Value and Stock Splits: Dividends will be assumed reinvested at the Closing Price on the Payout Date and all calculations will be adjusted for Stock Splits.

EXAMPLES

Assumptions:

The examples below assume that 90,000 Target Shares / 180,000 Maximum Shares are awarded.

Maximum Target:

Percentile Rank: 85th percentile

Target Awarded: 85th Percentile is above the 75th Maximum Target so Maximum Payout of 200% of the Target Shares, or 180,000 shares is achieved

Interpolated Target:

Percentile Rank: 60th percentile

Target Awarded: 60th Percentile is above the Minimum and below the Maximum Targets so an interpolated Payout of 140% of the Target Shares or 126,000 shares is achieved.

Forfeited:

Percentile Rank: 15th percentile

Target Awarded: 15th percentile is below the 30th Percentile Minimum Target so no Payout is achieved

1. Grant of RSU Award.

1.1 Grant of RSU Award. Subject to the terms and conditions of the Plan and this Agreement, including any country-specific terms set forth in Exhibit A to this Agreement, the Company hereby grants to the Participant an RSU Award for the number of ordinary shares set forth above under “RSU Award” (the “*Shares*”).

(a) *Vesting Criteria.* The RSU Award shall vest, and the Shares shall be issuable to the Participant, according to the Vesting Criteria set forth above. If application of the Vesting Criteria causes vesting of a fractional Share, such Share shall be rounded down to the nearest whole Share. Shares that vest and are issuable pursuant to the Vesting Criteria are “*Vested Shares*.”

(b) *Termination of Service.* The RSU Award, all of the Company’s obligations and the Participant’s rights under this Agreement, shall terminate on the earlier of the Participant’s Termination Date (as defined in the Plan) or the date when all the Shares that are subject to the RSU Award have been allotted and issued, or forfeited in the case of any portion of the RSU Award that fails to vest; *provided, however*, that if the Participant has a Termination of Service due to Retirement, then (i) the RSU Award and all rights and obligations hereunder will not terminate and (ii) a number of vested Shares shall be issued to the Participant at the end of the Measurement Period and on the Release Date upon the vesting of the RSU Award pursuant to the Performance Criteria and pro-rated for the portion of the Performance Period Participant was employed, prior to Retirement, *provided, further*, that if within the Performance Period, the Participant violates the terms of Sections 10 through 13 of this Agreement, a non-disclosure agreement with,

or other confidentiality obligation owed to, the Company or any Parent, Subsidiary or Affiliate, then the RSU Award and all of the Company's obligations and the Participant's rights under this Agreement shall immediately terminate.

For purposes of this Agreement, "Retirement" shall mean the Participant's voluntary Termination of Service after the Participant has attained age fifty-five (55) and completed at least five (5) years of service as an Employee of the Company or any Parent, Subsidiary or Affiliate; *provided* that the Participant's age plus years of service equals at least sixty-five (65); *provided, further*, that the Participant provides, as may be required by the Company in its discretion, up to 6 months of written notice of such Retirement which is irrevocable by the Participant.

(c) *Termination of Service due to Death or Disability.* Notwithstanding anything in this Agreement to the contrary, if the Participant has a Termination of Service due to death or Disability, then (i) the RSU Award and all rights and obligations hereunder will not terminate and (ii) a number of vested Shares shall be issued to the Participant upon his or her death or Disability pursuant to the Performance Criteria based upon actual TSR performance for completed periods during the Measurement Period and target TSR performance for unfinished periods during the Measurement Period and pro-rated for the fraction of the three year Performance Period Participant was employed prior to Death or Disability.

For purposes of this Agreement, "Disability" shall mean inability of the Participant to perform in all material respects his or her duties and responsibilities to the Company or any Parent, Subsidiary or Affiliate, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the CEO, or the Committee as to the CEO or the CEO's direct reports, may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the CEO, or the Committee in the case of the CEO or the CEO's direct reports.

(d) *Allotment and Issuance of Vested Shares.* The Company shall allot and issue the Vested Shares as soon as practicable after such Shares have vested pursuant to the Vesting Criteria. The Company shall have no obligation to allot and issue, and the Participant will have no right or title to, any Shares, and no Shares will be allotted and issued to the Participant, until satisfaction of the Vesting Criteria.

(e) *No Obligation to Employ.* Nothing in the Plan or this Agreement shall confer on the Participant any right to continue in the employ of, or other relationship with, the Company or any Parent, Subsidiary or Affiliate or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate to terminate the Participant's employment or service relationship at any time, with or without cause.

(f) *Nontransferability of RSU Award.* None of the Participant's rights under this Agreement or under the RSU Award may be transferred in any manner other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participants in the U.S. may transfer or assign the RSU Award to Family Members (as defined in the Plan) through a gift or a domestic relations order (and not in a transfer for value), or as otherwise allowed by the Plan. The terms of this Agreement shall be binding upon the executors, administrators, successors and assigns of the Participant.

(g) *Privileges of Share Ownership.* The Participant shall not have any of the rights of a shareholder until the Vested Shares are allotted and issued after the applicable vest date.

(h) *Interpretation.* Any dispute regarding the interpretation of the terms and provisions with respect to the RSU Award and this Agreement shall be submitted by the Participant or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and on the Participant.

1.2 Title to Shares. Title will be provided in the Participant's individual name on the Company's records unless the Participant otherwise notifies Stock Administration of an alternative designation in compliance with the terms of this Agreement and applicable laws.

2. Delivery.

2.1 Deliveries by Participant. The Participant hereby delivers to the Company this Agreement.

2.2 Deliveries by the Company. The Company will issue a duly executed share certificate or other documentation evidencing the Vested Shares in the name specified in Section 1.2 above upon vesting, provided the Participant has delivered and executed this Agreement prior to the applicable vesting date and has remained continuously employed by the Company or a Parent, Subsidiary, or Affiliate through each applicable vesting date.

3. Compliance with Laws and Regulations. The issuance and transfer of the Shares to the Participant shall be subject to and conditioned upon compliance by the Company and the Participant with all applicable requirements of any share exchange or automated quotation system on which the Company's Ordinary Shares may be listed at the time of such issuance or transfer. The Participant

understands that the Company is under no obligation to register or qualify the Shares with the U.S. Securities and Exchange Commission, any state, local or foreign securities commission or any share exchange to effect such compliance.

4. Rights as Shareholder. Subject to the terms and conditions of this Agreement, the Participant will have all of the rights of a shareholder of the Company with respect to the Vested Shares which have been allotted and issued to the Participant until such time as the Participant disposes of such Vested Shares.

5. Stop-Transfer Orders.

5.1 Stop-Transfer Instructions. The Participant agrees that, to ensure compliance with the restrictions imposed by this Agreement, the Company may issue appropriate “stop-transfer” instructions to its transfer agent, if any, and if the Company administers transfers of its own securities, it may make appropriate notations to the same effect in its own records.

5.2 Refusal to Transfer. The Company will not be required (i) to register in its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares, or to accord the right to vote or pay dividends to any Participant or other transferee to whom such Shares have been so transferred.

6. Taxes and Disposition of Shares.

6.1 Tax Obligations.

(a) Regardless of any action the Company or the Participant’s employer (the “Employer”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items arising out of the Participant’s participation in the Plan and legally applicable to the Participant (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company and/or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSU Award, including but not limited to, the grant, vesting or issuance of Vested Shares underlying the RSU Award, the subsequent sale of Vested Shares acquired upon vesting and the receipt of any dividends; and (b) do not commit and are under no obligation to structure the terms of the grant or any aspect of the RSU Award to reduce or eliminate the Participant’s liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Participant has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to the relevant taxable or tax withholding event, as applicable, the Participant shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the Tax-Related Items by one or a combination of the following (1) withholding from the Participant’s wages or other cash compensation paid to the Participant by the Company, the Employer, or any Parent or Subsidiary of the Company; or (2) withholding from the proceeds of the sale of Vested Shares either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant’s behalf pursuant to this authorization); or (3) withholding in Shares to be issued at vesting of the RSU Award.

(c) To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates.

(d) The Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant’s participation in the Plan that cannot be satisfied by the means previously described in this section. The Company may refuse to issue or deliver the Vested Shares or the proceeds from the sale of Shares, if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

6.2 Disposition of Shares. Participant hereby agrees that the Participant shall make no disposition of the Shares (other than as permitted by this Agreement) unless and until the Participant shall have complied with all requirements of this Agreement applicable to the disposition of the Shares.

7. Nature of Grant. In accepting the RSU Award, the Participant acknowledges and agrees that:

- (a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;
 - (b) the grant of the RSU Award is voluntary and occasional and does not create any contractual or other right to receive future RSU Awards, or benefits in lieu of RSU Awards, even if RSU Awards have been granted repeatedly in the past;
 - (c) all decisions with respect to future RSU Awards, if any, will be at the sole discretion of the Company;
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- (d) the Participant's participation in the Plan is voluntary;
- (e) the future value of the Shares underlying the RSU Award is unknown and cannot be predicted with certainty;
- (f) no claim or entitlement to compensation or damages shall arise from the forfeiture of the RSU Award resulting from a Termination of Service (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of the RSU Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company and/or the Employer, waives the Participant's ability, if any, to bring any such claim, and releases the Company and/or the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; and
- (g) for the Participants residing outside of the U.S.A.:
 - (A) the RSU Award and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;
 - (B) the RSU Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for the Employer, the Company or any Parent, Subsidiary or Affiliate; and
 - (C) in the event of the Participant's Termination of Service (whether or not in breach of local labor laws), the Participant's right to vest in the RSU Award under the Plan, if any, will terminate effective as of the date of Termination of Service and; the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of this RSU Award.

8. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the sale of the Shares acquired upon vesting of the RSU Award. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

9. Data Privacy.

- (a) The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other RSU Award materials by and among, as applicable, the Employer, the Company and its Parent, Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.
 - (b) The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSU Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").
 - (c) The Participant understands that Data will be transferred to the Company stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections from the Participant's country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company, the Company stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. The Participant understands, however, that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.
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10. Confidential Information.

- (a) The Participant acknowledges that the Company's business and services are highly specialized, the identity and particular needs of the Company's customers, suppliers, and independent contractors are not generally known, and the documents, records, and information regarding the Company's customers, suppliers, independent contractors, services, methods of operation, policies, procedures, sales, pricing, and costs are highly confidential information and constitute trade secrets. Participant further acknowledges that the services rendered to the Company by Participant have been or will be of a special and unusual character which have a unique value to the Company and that Participant has had or will have access to trade secrets and confidential information belonging to the Company, the loss of which cannot be adequately compensated by damages in an action at law.
- (b) Participant agrees to not use for any purpose or disclose to any person or entity any Confidential Information, except as required in the performance of Participant's duties to the Company. "Confidential Information" means information that the Company has obtained in connection with its present or planned business, including information Participant developed in the performance of Participant's duties for the Company, the disclosure of which could result in a competitive or other disadvantage to the Company. "Confidential Information" includes, but is not limited to, all information of Company to which Participant has had or will have access, whether in oral, written, graphic or machine-readable form, including without limitation, records, lists, specifications, operations or systems manuals, decision processes, policies, procedures, profiles, system and management architectures, diagrams, graphs, models, sketches, technical data, research, business or financial information, plans, strategies, forecasts, forecast assumptions, business practices, marketing information and material, customer names, vendor lists, independent contractor lists, identities, or information, proprietary ideas, concepts, know-how, methodologies and all other information related to Company's business and/or the business of any of its affiliates, knowledge of the Company's customers, suppliers, employees, independent contractors, methods of operation, trade secrets, software, software code, methods of determining prices. Confidential Information shall also include all information of a third party to which Company and/or any of its affiliates have access and to which Participant has had or will have access. Participant will not, directly or indirectly, copy, take, disclose, or remove from the Company's premises, any of the Company's books, records, customer lists, or any Confidential Information. Participant acknowledges and understands that, pursuant to the Defend Trade Secrets Act of 2016: An individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the individual's attorney and use the trade secret information in the court proceeding if the individual: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

11. Employee Non-Solicitation. The employee non-solicitation provisions contained in Section 11(a) to 11(c) apply to all Participants.

- (a) Non-Solicitation of Employees During Employment. During the term of Participant's employment with the Company, Participant will not, either on Participant's own account or for any person, firm, partnership, corporation, or other entity (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.
- (b) Non-Solicitation of Employees After Employment. After Participant's separation from employment with the Company for any reason whatsoever, Participant will not, either on Participant's own account or for any person, firm, partnership, corporation, or other entity, use the Company's trade secrets to (a) solicit, interfere with, or endeavor to cause any employee of the Company to leave employment with the Company; or (b) induce or attempt to induce any such employee to breach their obligations to the Company.
- (c) Anti-Raiding of Employees. Participant agrees that for a period of one year after Participant's separation from employment with the Company for any reason whatsoever, whether using the Company's trade secrets or not, Participant shall not disrupt, damage, impair, or interfere with the Company's business by raiding the Company's employees.

12. Customer Non-Solicitation. The customer non-solicitation provisions contained in Section 12(a) to 12(b) apply to all Participants who provide or have provided services to the Company outside the state of California.

- (a) Non-Solicitation of Customers During Employment. During the term of Participant's employment with the Company, Participant will not solicit, induce, or attempt to induce any past or current customer of the Company (a) to cease doing business, in whole or in part, with the Company; or (b) to do business with any other person, firm, partnership, corporation, or other entity which performs services similar to or competitive with those provided by the Company.
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- (b) **Non-Solicitation of Customers After Employment.** After Participant's separation from employment with the Company for any reason whatsoever, Participant will not, either on Participant's own account or for any person, firm, partnership, corporation, or other entity, use the Company's trade secrets to solicit, induce, or attempt to induce any past or current customer of the Company (a) to cease doing business, in whole or in part, with the Company; or (b) to do business with any other person, firm, partnership, corporation, or other entity which performs services similar to or competitive with those provided by the Company.

13. Non-Compete. The non-compete provision contained in this Section 13 applies to all Participants who provide or have provided services to the Company outside the state of California.

For a period of twelve (12) months following the date on which Participant's employment with the Company terminates for any reason, regardless of whether the termination is initiated by Participant or the Company, Participant agrees that Participant will not: (i) accept employment with, be employed by or provide services (as an employee, consultant, independent contractor or in any other capacity) to any competitor of the Company; and (ii) own (other than the ownership of five percent or less of the shares of a publicly traded company) or operate a business that is a competitor of the Company. For purposes of this section, the term "competitor" shall mean any business, company or entity that provides any products or services that are the same as, similar to, or compete with the products and services provided by the Company.

14. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement and in the Plan, this Agreement will be binding upon the Participant and the Participant's heirs, executors, administrators, legal representatives, successors and assigns.

15. Governing Law; Venue; Severability. This Agreement shall be governed by and construed in accordance with the internal laws of the state where you reside, where this Agreement is made or to be performed, excluding that body of laws pertaining to conflict of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the state where you reside and agree that such litigation shall be conducted only in the applicable federal courts for the state where you reside, or if he issue cannot be adjudicated by federal courts, then the state courts for the state where you reside. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

16. Notices. Any notice required to be given or delivered to the Company shall be in writing and addressed to the Vice President of Finance of the Company at its corporate offices at 847 Gibraltar Drive, Milpitas, California 95035. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address indicated on the signature page hereto or to such other address as the Participant may designate in writing from time to time to the Company. All notices shall be deemed effectively given upon personal delivery, three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested), one (1) business day after its deposit with any return receipt express courier (prepaid), or one (1) business day after transmission by facsimile.

17. Headings. The captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement. All references herein to Sections will refer to Sections of this Agreement.

18. Language. If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

19. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Exhibit A. Notwithstanding any provision in this Agreement to the contrary, the RSU Award shall be subject to any special terms and provisions as set forth in Exhibit A to this Agreement for the Participant's country. Moreover, if the Participant relocates to one of the countries included in Exhibit A, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Exhibit A constitutes part of this Agreement.

21. Code Section 409A. With respect to U.S. taxpayers, it is intended that the terms of the RSU Award will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Participant to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take

any other actions, in each case, without the consent of the Participant, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance. In that light, the Company makes no representation or covenant to ensure that the RSU Awards that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto.

- 22. Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant’s participation in the Plan, on the RSU Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
- 23. Remedies.** In addition to all of the remedies otherwise available to the Company, the Company shall have the right to injunctive relief to restrain and enjoin any actual or threatened breach of Sections 10, 11, 12 and 13 of this Agreement. All of the Company’s remedies for breach of this Agreement shall be cumulative and the pursuit of one remedy will not be deemed to exclude any other remedies.
- 24. Entire Agreement.** The Plan and this Agreement, together with all its Exhibits, constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between the parties hereto with respect to the specific subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

FLEX LTD.

PARTICIPANT

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Address: _____

**FLEX LTD. 2017 EQUITY INCENTIVE PLAN
EXHIBIT A TO THE
RESTRICTED SHARE UNIT AWARD AGREEMENT
FOR NON-U.S. PARTICIPANTS**

Terms and Conditions

This Exhibit A includes additional terms and conditions that govern the RSU Award granted to the Participant under the Plan if the Participant resides in one of the countries listed below. Certain capitalized terms used but not defined in this Exhibit A have the meanings set forth in the Plan and/or the Agreement.

Notifications

This Exhibit A also includes information regarding exchange controls and certain other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of July 2010. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information in this Exhibit A as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time that the RSU Award vests and Shares are issued to the Participant or the Participant sells Shares acquired upon vesting of the RSU Award under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of a particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to his or her situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which he or she is currently working or transfers employment after the Date of Grant, the information contained herein may not be applicable to the Participant.

AUSTRIA

Notifications

Exchange Control Information. If the Participant holds Shares acquired under the Plan outside of Austria, the Participant must submit a report to the Austrian National Bank. An exemption applies if the value of the shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

When the Participant sells Vested Shares issued under the Plan, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all the Participant's accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

Consumer Protection Information. To the extent that the provisions of the Austrian Consumer Protection Act are applicable to the Agreement and the Plan, the Participant may be entitled to revoke his or her acceptance of the Agreement if the conditions listed below are met:

- (i) If the Participant accepts the RSU Award outside of the business premises of the Company, the Participant may be entitled to revoke his or her acceptance of the Agreement, provided the revocation is made within one week after the Participant accepts the Agreement.
- (ii) The revocation must be in written form to be valid. It is sufficient if the Participant returns the Agreement to the Company or the Company's representative with language that can be understood as the Participant's refusal to conclude or honor the Agreement, provided the revocation is sent within the period set forth above.

BRAZIL

Notifications

Compliance with Law. By accepting the RSU Award, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the RSU Award, the receipt of any dividends, and the sale of Vested Shares issued under the Plan.

Exchange Control Information. If the Participant is a resident or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000 (approximately BRL318,870 as of September 2017). Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the Participant's date of admittance as a resident of Brazil. Assets and rights that must be reported include Shares issued upon vesting of the RSU Award under the Plan.

CANADA

Terms and Conditions

French Language Provision. The following provision will apply if the Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Termination of Service. This provision supplements Section 1.1(c) of the Agreement:

In the event of involuntary Termination of Service (whether or not in breach of local labor laws), the Participant's right to receive and vest in the RSU Award under the Plan, if any, will terminate effective as of the date that is the earlier of: (1) the date the Participant receives notice of Termination of Service from the Company or the Employer, or (2) the date the Participant is no longer actively providing service by the Company or his or her Employer regardless of any notice period or period of pay in lieu of such notice required under local law (including, but not limited to, statutory law, regulatory law and/or common law); the Committee shall have the exclusive discretion to determine when the Participant no longer actively providing service for purposes of the RSU Award.

Data Privacy. This provision supplements Section 9 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company, any Parent, Subsidiary or Affiliate and the Committee to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any Parent, Subsidiary or Affiliate to record such information and to keep such information in the Participant's employee file.

Notifications

Grant of RSU Award. The RSU Award does not constitute compensation nor is in any way related to the Participant's past services and/or employment to the Company, the Employer, and/or a Parent, Subsidiary or Affiliate of the Company.

CHINA

Terms and Conditions

Issuance of Vested Shares and Sale of Shares. This provision supplements Section 1.1(d) of the Agreement:

Due to local regulatory requirements, upon the vesting of the RSU Award, the Participant agrees to the immediate sale of any Vested Shares to be issued to the Participant upon vesting and settlement of the RSU Award. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Vested Shares (on the Participant's behalf pursuant to this authorization) and the Participant expressly authorizes the Company's designated broker to complete the sale of such Vested Shares. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Vested Shares at any particular price. Upon the sale of the Vested Shares, the Company agrees to pay the Participant the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

Exchange Control Requirements. The Participant understands and agrees that, pursuant to local exchange control requirements, the Participant will be required to immediately repatriate the cash proceeds from the sale of Vested Shares underlying the RSU Award to China. The Participant further understands that, under local law, such repatriation of his or her cash proceeds may need to be effectuated through a special exchange control account established by the Company, any Parent, Subsidiary, Affiliate or the Employer, and the Participant hereby consents and agrees that any proceeds from the sale of Vested Shares may be transferred to such special account prior to being delivered to the Participant. The Company is under no obligation to secure any exchange conversion rate, and the Company may face delays in converting the proceeds to local currency due to exchange control restrictions in China. The Participant agrees to bear any currency fluctuation risk between the time the Vested Shares are sold and the time the sale proceeds are

distributed through any such special exchange account. The Participant further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China. These requirements will not apply to non-PRC citizens.

CZECH REPUBLIC

Notifications

Exchange Control Information. Upon request of the Czech National Bank, the Participant may need to file a notification within 15 days of the end of the calendar quarter in which he or she acquires Shares pursuant to the Plan.

DENMARK

Notifications

Danish Stock Options Act. The Participant will receive an Employer Statement pursuant to the Danish Act on Stock Options.

Exchange Control/Tax Reporting Information. If the Participant holds Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, the Participant is required to inform the Danish Tax Administration about the account. For this purpose, the Participant must file a Form V (*Erklaering V*) with the Danish Tax Administration. The Form V must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form V, the broker or bank undertakes to forward information to the Danish Tax Administration concerning the Vested Shares in the account without further request each year. By signing the Form V, the Participant authorizes the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: www.skat.dk.

In addition, if the Participant opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, the Participant is also required to inform the Danish Tax Administration about this account. To do so, the Participant must also file a Form K (*Erklaering K*) with the Danish Tax Administration. The Form K must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, the Participant authorizes the Danish Tax Administration to examine the account. A sample of Form K can be found at the following website: www.skat.dk.

FINLAND

There are no country specific provisions.

FRANCE

Term and Conditions

Language Consent. By accepting the RSU Award, the Participant confirms having read and understood the documents relating to this grant (the Plan, the Agreement and this Exhibit A) which were provided in English language. The Participant accepts the terms of those documents accordingly.

En acceptant l'attribution, vous confirmez ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan, le contrat et cette Annexe) qui ont été communiqués en langue anglaise. Vous acceptez les termes en connaissance de cause.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Participant uses a German bank to effect a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the bank will make the report for the Participant. In addition, the Participant must report any receivables or payables or debts in foreign currency exceeding an amount of €5,000,000 on a monthly basis. Finally, the Participant must report Shares on an annual basis that exceeds 10% of the total voting capital of the Company.

HONG KONG

Terms and Conditions

Warning: The RSU Award and Shares acquired upon vesting of the RSU Award do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company, its Parent, Subsidiary or Affiliates. The Agreement, including this Exhibit A, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The RSU Award is intended only for the personal use of each eligible Employee of the Employer, the Company or any Parent, Subsidiary or Affiliate and may not be distributed to any other person. If the Participant is in any doubt about any of the contents of the Agreement, including this Exhibit A, or the Plan, the Participant should obtain independent professional advice.

Sale Restriction. Notwithstanding anything contrary in the Notice, the Agreement or the Plan, in the event the Participant’s RSU Award vests such that Vested Shares are issued to the Participant or his or her heirs and representatives within six months of the Date of Grant, the Participant agrees that the Participant or his or her heirs and representatives will not dispose of any Vested Shares acquired prior to the six-month anniversary of the Date of Grant.

Notifications

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

HUNGARY

There are no country specific provisions.

INDIA

Notifications

Exchange Control Information. The Participant must repatriate the proceeds from the sale of Vested Shares acquired under the Plan within 90 days after receipt. The Participant must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Employer requests proof of repatriation. It is the Participant’s responsibility to comply with applicable exchange control laws in India.

IRELAND

Notifications

Director Notification Obligation. Directors, shadow directors and secretaries of the Company’s Irish Subsidiary or Affiliate are subject to certain notification requirements under the Irish Companies Act. Directors, shadow directors and secretaries must notify the Irish Subsidiary or Affiliate in writing of their interest in the Company and the number and class of Shares or rights to which the interest relates within five days of the issuance or disposal of Shares or within five days of becoming aware of the event giving rise to the notification. This disclosure requirement also applies to any rights or Shares acquired by the director’s spouse or children (under the age of 18).

ISRAEL

There are no country specific provisions.

ITALY

Terms and Conditions

Data Privacy. This provision replaces Section 9 of the Agreement:

The Participant understands that the Company and the Employer as the Privacy Representative of the Company in Italy, may hold certain personal information about the Participant, including, but not limited to, the Participant’s name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any Parent, Subsidiary or Affiliate, details of all RSU Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant’s favor, and that the Company and the Employer will process said data and other data lawfully received from third party (“Personal Data”) for the exclusive purpose of managing and administering the Plan and

complying with applicable laws, regulations and Community legislation. The Participant also understands that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that the Participant's denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant's ability to participate in the Plan. The Participant understands that Personal Data will not be publicized, but it may be accessible by the Employer as the Privacy Representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing, and by the data Processor, if appointed. The updated list of Processors and of the subjects to which Data are communicated will remain available upon request at the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. The Participant understands that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. The Participant further understands that the Company and any Parent, Subsidiary or Affiliate will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and that the Company and any Parent, Subsidiary or Affiliate may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to a broker or other third party with whom the Participant may elect to deposit any Vested Shares acquired under the Plan or any proceeds from the sale of such Shares. Such recipients may receive, possess, use, retain and transfer Personal Data in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that these recipients may be acting as Controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.

Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

The Participant understands that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable laws and regulations, does not require the Participant's consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. The Participant understands that, pursuant to section 7 of the Legislative Decree no. 196/2003, he or she has the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, blocked or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, the Participant should contact the Employer. Furthermore, the Participant is aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's human resources department.

Plan Document Acknowledgement. The Participant acknowledges that the Participant has read and specifically and expressly approves the following sections of the Agreement: Section 1: Grant of RSU Award; Section 2: Delivery; Section 3: Compliance with Laws and Regulations; Section 4: Rights as Shareholder; Section 5: Stop-Transfer Orders; Section 6: Taxes and Disposition of Shares; Section 7: Nature of Grant; Section 8: No advice Regarding Grant; Section 11: Governing Law; Venue; Section 15: Electronic Delivery; Section 16: Exhibit A; Section 18: Imposition of Other Requirements; and the Data Privacy section of this Exhibit A.

Notifications

Exchange Control Information. To participate in the Plan, the Participant must comply with exchange control regulations in Italy. The Participant is required to report in his or her annual tax return: (a) any transfers of cash or Vested Shares to or from Italy exceeding €10,000; (b) any foreign investments or investments held outside of Italy at the end of the calendar year exceeding €10,000 if such investments (Vested Shares) that may give rise to taxable income in Italy that combined with other foreign assets exceeds €10,000; and (c) the amount of the transfers to and from Italy which have had an impact during the calendar year on the Participant's foreign investments or investments held outside of Italy. The Participant may be exempt from the requirement in (a) if the transfer or investment is made through an authorized broker resident in Italy, as the broker will generally comply with the reporting obligation on his or her behalf.

JAPAN

There are no country specific provisions.

KOREA

Notifications

Exchange Control Information. If the Participant realizes US\$500,000 (approximately KRW 571,700,000 as of September 2017) or more from the sale of Shares, Korean exchange laws require the Participant to repatriate the proceeds to Korea within eighteen months of the sale.

MALAYSIA

Notifications

Malaysian Insider Trading Notification. The Participant should be aware of the Malaysian insider-trading rules, which may impact his or her acquisition or disposal of Shares or rights to Shares under the Plan. Under the Malaysian insider-trading rules, the Participant is prohibited from selling Shares when he or she is in possession of information which is not generally available and which he or she knows or should know will have a material effect on the value of the Shares once such information is generally available.

Director Notification Obligation. If the Participant is a director of the Company's Malaysian Subsidiary, he or she is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Subsidiary in writing when the Participant receives or disposes of an interest (e.g., RSU Award, Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

No Entitlement for Claims or Compensation. The following section supplements Section 7 of the Agreement:

Modification. By accepting the RSU Award, the Participant understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The RSU Award grant the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at One Marina Boulevard, #28-00, Singapore 018989, is solely responsible for the administration of the Plan, and participation in the Plan and the grant of the RSU Award do not, in any way, establish an employment relationship between the Participant and the Company since he or she is participating in the Plan on a wholly commercial basis and the sole employer is Availmed Servicios S.A. de C.V., Grupo Flextronics S.A. de C.V., Flextronics Servicios Guadalajara S.A. de C.V., Flextronics Servicios Mexico S. de R.L. de C.V. and Flextronics Aguascalientes Servicios S.A. de C.V., nor does it establish any rights between the Participant and the Employer.

Plan Document Acknowledgment. By accepting the RSU Award, the Participant acknowledges that he or she has received copies of the Plan, has reviewed the Plan and the Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, the Participant further acknowledges that he or she has read and specifically and expressly approves the terms and conditions in the Nature of Grant section of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Parent, Subsidiary or Affiliates are not responsible for any decrease in the value of the Shares acquired upon vesting of the RSU Award.

Finally, the Participant hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of his or her participation in the Plan and therefore grants a full and broad release to the Employer, the Company and any Parent, Subsidiary or Affiliates with respect to any claim that may arise under the Plan.

Spanish Translation Condiciones y duración

Sin derecho a reclamo o compensación: La siguiente sección complementa la sección 7 de este Acuerdo:

Modificación: Al aceptar el Otorgamiento de Acciones por Bonificación, el Participante entiende y acuerda que cualquier modificación del Plan o del Acuerdo o su extinción, no constituirá un cambio o disminución de los términos y condiciones de empleo.

Declaración de Política: El Otorgamiento de Acciones por Bonificación por parte de la Compañía es efectuada bajo el Plan en forma unilateral y discrecional y por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el Otorgamiento de Acciones en cualquier momento sin responsabilidad alguna hacia la Compañía.

La Compañía, con oficinas registradas en One Marina Boulevard, #28-00, Singapore 018989 es la única responsable de la administración de los Planes y de la participación en los mismos y el otorgamiento de el Otorgamiento de Acciones por Bonificación no establece de forma alguna una relación de trabajo entre el Participante y la Compañía, ya que su participación en el Plan es completamente comercial y el único empleador es Availmed Servicios S.A. de C.V., Grupo Flextronics S.A. de C.V., Flextronics Servicios Guadalajara S.A. de C.V., Flextronics Servicios Mexico S. de R.L. de C.V. and Flextronics Aguascalientes, así como tampoco establece ningún derecho entre el Participante y el Empleador.

Reconocimiento del Documento del Plan. Al aceptar la el Otorgamiento de Acciones por Bonificación, el Participante reconoce que ha recibido copias de los Planes, ha revisado los mismos, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en los Planes y en el Acuerdo.

Además, el Participante reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la sección Naturaleza del Otorgamiento en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en los Planes no constituye un derecho adquirido; (ii) los Planes y la participación en los mismos es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en los Planes es voluntaria; y (iv) la Compañía, así como su Sociedad controlante, Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las Acciones adquiridas a través del conferimiento del Otorgamiento de Acciones por Bonificación.

Finalmente, el Participante declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, a su Sociedad controlante, Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud de los Planes.

NETHERLANDS

Notifications

Securities Law Information. The Participant should be aware of the Dutch insider-trading rules, which may impact the sale of Shares acquired under the Plan. In particular, the Participant may be prohibited from effectuating certain transactions if the Participant has inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “insider information” related to an issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any Employee in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain Employees working at a Parent, Subsidiary or Affiliate in the Netherlands may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the Participant has such inside information.

If the Participant is uncertain whether the insider-trading rules apply to him or her, he or she should consult his or her personal legal advisor.

NORWAY

There are no country specific provisions.

POLAND

Terms and Conditions

Restriction on Type of Shares Issued. Due to tax regulations in Poland, as necessary, the Participant's Vested Shares will be settled in newly issued Shares only. Treasury Shares will not be used to satisfy the RSU Award upon vesting.

ROMANIA

Notifications

Exchange Control Information. If the Participant remits foreign currency into or out of Romania (e.g., the proceeds from the sale of his or her Vested Shares), the Participant may have to provide the Romanian bank assisting with the transaction with appropriate documentation explaining the source of the income. *The Participant should consult his or her personal legal advisor to determine whether the Participant will be required to submit such documentation to the Romanian bank.*

SINGAPORE

Notifications

Securities Law Information. The RSU Award is being granted to the Participant pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan have not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the RSU Award is subject to section 257 of the SFA and the Participant will not be able to make any subsequent sale in Singapore of the Shares acquired under the Plan, or any offer of such subsequent sale of the Shares acquired under the Plan unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Cap 289, 2006 Ed.).

Director Notification Obligation. If the Participant is a director, associate director or shadow director of the Company or a Singapore Subsidiary or Affiliate, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company or the Singaporean Subsidiary or Affiliate in writing when the Participant receives an interest (e.g., RSU Award, Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, the Participant must notify the Company or the Singapore Subsidiary or Affiliate when the Participant sells Shares of the Company or any related company (including when the Participant sell Shares acquired under the Plan). These notifications must be made within two days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Participant's interests in the Company or any related company within two days of becoming a director.

SLOVAK REPUBLIC

There are no country specific provisions.

SOUTH AFRICA

Terms and Conditions

Tax Obligations. The following provision supplements Section 6.1 of the Agreement:

By accepting the RSU Award, the Participant agrees to notify the Employer of the amount of any gain realized at vesting and settlement of the RSU Award. If the Participant fails to advise the Employer of the gain realized at vesting and settlement of the RSU Award, he or she may be liable for a fine.

Notifications

Exchange Control Information. *The Participant should consult his or her personal advisor to ensure compliance with applicable exchange control regulations in South Africa, as such regulations are subject to frequent change.* The Participant is solely responsible for complying with all exchange control laws in South Africa, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Participant's failure to comply with South African exchange control laws.

SWEDEN

There are no country specific provisions.

SWITZERLAND

Notifications

Securities Law Information. The RSU Award is considered a private offering in Switzerland; therefore, it is not subject to registration.

TAIWAN

Notifications

Exchange Control Information. The Participant may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to US\$5,000,000 (approximately TWD 151,565,000 as of September 2017) per year. If the transaction amount is TWD 500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

TURKEY

Notifications

Securities Law Information. Under Turkish law, the Participant is not permitted to sell the Shares acquired under the Plan in Turkey.

UNITED KINGDOM

Terms and Conditions

Tax Obligations. The following provisions supplement Section 6.1 of the Agreement:

The Participant agrees that, if Participant does not pay or the Employer or the Company does not withhold from the Participant the full amount of Tax-Related Items that the Participant owes at vesting/settlement of the RSU Award, or the release or assignment of the RSU Award for consideration, or the receipt of any other benefit in connection with the RSU Award (the “Taxable Event”) within 90 days after the Taxable Event, or such other period specified in section 222(1) (c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by the Participant to the Employer, effective 90 days after the Taxable Event. The Participant agrees that the loan will bear interest at the HMRC’s official rate and will be immediately due and repayable by the Participant, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to the Participant by the Employer, by withholding in Shares issued upon vesting of the RSU Award or from the cash proceeds from the sale of Vested Shares or by demanding cash or a check from the Participant. The Participant also authorizes the Company to delay the issuance of any Vested Shares unless and until the loan is repaid in full.

Notwithstanding the foregoing, if the Participant is an officer or executive director (as within the meaning of section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Participant is an officer or executive director and Tax-Related Items are not collected from or paid by Participant within 90 days of the Taxable Event, the amount of any uncollected Tax-Related Items may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant acknowledges that the Company or the Employer may recover any such additional income tax and National Insurance Contributions at any time thereafter by any of the means referred to in Section 6.1 Agreement, although the Participant acknowledges that he/she ultimately will be responsible for reporting any income tax or National Insurance Contributions due on this additional benefit directly to the HMRC under the self-assessment regime.

National Insurance Contributions Acknowledgment. As a condition of participation in the Plan and the vesting of the RSU Award, the Participant agrees to accept any liability for secondary Class 1 National Insurance Contributions which may be payable by the Company and/or the Employer in connection with the RSU Award and any event giving rise to Tax-Related Items (the “Employer NICs”). To accomplish the foregoing, the Participant agrees to execute a joint election with the Company, the form of such joint election being formally approved by HMRC (the “Joint Election”), and any other required consent or election. The Participant further agrees to execute such other joint elections as may be required between the Participant and any successor to the Company and/or the Employer. The Participant further agrees that the Company and/or the Employer may collect the Employer NICs from the Participant by any of the means set forth in Section 6.1 of the Agreement.

If the Participant does not enter into a Joint Election prior to vesting of the RSU Award or if approval of the Joint Election has been withdrawn by HMRC, the RSU Award shall become null and void without any liability to the Company and/or the Employer and the Company may choose not to issue or deliver Shares upon vesting of the RSU Award.

LETTER IN LIEU OF CONSENT OF DELOITTE & TOUCHE LLP

August 4, 2020

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 its subsidiaries for the three-month periods ended June 26, 2020 and June 28, 2019, as indicated in our report dated August 4, 2020; 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 June 26, 2020, 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: August 4, 2020

/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: August 4, 2020

/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 June 26, 2020, 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: August 4, 2020

/s/ Revathi Advaiti

Revathi Advaiti

Chief Executive Officer

(Principal Executive Officer)

Date: August 4, 2020

/s/ Christopher E. Collier

Christopher E. Collier

Chief Financial Officer

(Principal Financial Officer)