

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 30, 2023

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)

(65) 6876-9899

(Registrant's telephone number, including area code)

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 the 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 21, 2023 was 446,626,960.

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 its subsidiaries (the “Company”) as of June 30, 2023, the related condensed consolidated statements of operations, comprehensive income, redeemable noncontrolling interest and shareholders’ equity, and cash flows for the three-month periods ended June 30, 2023 and July 1, 2022, and the related notes (collectively referred to as the “interim financial information”). 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 its subsidiaries as of March 31, 2023 and the related consolidated statements of operations, comprehensive income, redeemable noncontrolling interest and shareholders’ equity, and cash flows for the year then ended (not presented herein); and in our report dated May 19, 2023, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of March 31, 2023 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
July 28, 2023

FLEX LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of June 30, 2023	As of March 31, 2023
	(In millions, except share amounts) (Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,660	\$ 3,294
Accounts receivable, net of allowance of \$9 and \$8, respectively	3,764	3,739
Contract assets	588	541
Inventories	7,526	7,530
Other current assets	1,002	917
Total current assets	15,540	16,021
Property and equipment, net	2,363	2,349
Operating lease right-of-use assets, net	624	608
Goodwill	1,344	1,343
Other intangible assets, net	299	316
Other assets	766	758
Total assets	\$ 20,936	\$ 21,395
LIABILITIES, NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	\$ 151	\$ 150
Accounts payable	5,890	5,930
Accrued payroll	474	522
Deferred revenue and customer working capital advances	3,038	3,143
Other current liabilities	1,085	1,110
Total current liabilities	10,638	10,855
Long-term debt, net of current portion	3,444	3,691
Operating lease liabilities, non-current	514	506
Other liabilities	554	637
Total liabilities	15,150	15,689
Shareholders' equity		
Flex Ltd. shareholders' equity		
Ordinary shares, no par value; 1,500,000,000 authorized, 499,276,711 and 500,362,046 issued, and 449,037,356 and 450,122,691 outstanding as of June 30, 2023 and March 31, 2023, respectively	6,337	6,493
Treasury stock, at cost; 50,239,355 shares as of June 30, 2023 and March 31, 2023, respectively	(388)	(388)
Accumulated deficit	(374)	(560)
Accumulated other comprehensive loss	(169)	(194)
Total Flex Ltd. shareholders' equity	5,406	5,351
Noncontrolling interest	380	355
Total shareholders' equity	5,786	5,706
Total liabilities, noncontrolling interest, and shareholders' equity	\$ 20,936	\$ 21,395

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 30, 2023	July 1, 2022
	(In millions, except per share amounts) (Unaudited)	
Net sales	\$ 7,336	\$ 7,347
Cost of sales	6,732	6,812
Restructuring charges	17	—
Gross profit	587	535
Selling, general and administrative expenses	270	241
Restructuring charges	6	—
Intangible amortization	20	22
Operating income	291	272
Interest, net	41	49
Other charges (income), net	11	(9)
Income before income taxes	239	232
Provision for income taxes	28	37
Net income	211	195
Net income attributable to noncontrolling interest and redeemable noncontrolling interest	25	6
Net income attributable to Flex Ltd.	\$ 186	\$ 189
Earnings per share attributable to the shareholders of Flex Ltd.:		
Basic	\$ 0.42	\$ 0.41
Diluted	\$ 0.41	\$ 0.40
Weighted-average shares used in computing per share amounts:		
Basic	447	458
Diluted	455	468

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 30, 2023	July 1, 2022
	(In millions) (Unaudited)	
Net income	\$ 211	\$ 195
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(9)	(71)
Unrealized gain (loss) on derivative instruments and other	34	(1)
Comprehensive income	\$ 236	\$ 123
Comprehensive income attributable to noncontrolling interest and redeemable noncontrolling interest	25	6
Comprehensive income attributable to Flex Ltd.	\$ 211	\$ 117

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

FLEX LTD.

CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITY

Three Months Ended June 30, 2023	Redeemable Noncontrolling Interest	Ordinary Shares			Accumulated Other Comprehensive Loss			Total		
	Amount	Shares Outstanding	Amount	Accumulated Deficit	Unrealized Gain (Loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Total Flex Ltd. Shareholders' Equity	Noncontrolling Interest	Shareholders' Equity
		(In millions) Unaudited								
BALANCE AT MARCH 31, 2023	\$ —	450	\$ 6,105	\$ (560)	\$ (14)	\$ (180)	\$ (194)	\$ 5,351	\$ 355	\$ 5,706
Repurchase of Flex Ltd. ordinary shares at cost	—	(9)	(197)	—	—	—	—	(197)	—	(197)
Issuance of Flex Ltd. vested shares under restricted share unit awards	—	8	—	—	—	—	—	—	—	—
Net income	—	—	—	186	—	—	—	186	25	211
Stock-based compensation	—	—	41	—	—	—	—	41	—	41
Total other comprehensive income	—	—	—	—	34	(9)	25	25	—	25
BALANCE AT JUNE 30, 2023	\$ —	449	\$ 5,949	\$ (374)	\$ 20	\$ (189)	\$ (169)	\$ 5,406	\$ 380	\$ 5,786

Three Months Ended July 1, 2022	Redeemable Noncontrolling Interest	Ordinary Shares			Accumulated Other Comprehensive Loss			Total		
	Amount	Shares Outstanding	Amount	Accumulated Deficit	Unrealized Loss on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Total Flex Ltd. Shareholders' Equity	Noncontrolling Interest	Shareholders' Equity
		(In millions) Unaudited								
BALANCE AT MARCH 31, 2022	\$ 78	461	\$ 5,664	\$ (1,353)	\$ (66)	\$ (116)	\$ (182)	\$ 4,129	\$ —	\$ 4,129
Repurchase of Flex Ltd. ordinary shares at cost	—	(11)	(181)	—	—	—	—	(181)	—	(181)
Issuance of Flex Ltd. vested shares under restricted share unit awards	—	8	—	—	—	—	—	—	—	—
Net income	6	—	—	189	—	—	—	189	—	189
Stock-based compensation	—	—	26	—	—	—	—	26	—	26
Total other comprehensive loss	—	—	—	—	(1)	(71)	(72)	(72)	—	(72)
BALANCE AT JULY 1, 2022	\$ 84	458	\$ 5,509	\$ (1,164)	\$ (67)	\$ (187)	\$ (254)	\$ 4,091	\$ —	\$ 4,091

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 30, 2023	July 1, 2022
	(In millions) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 211	\$ 195
Depreciation, amortization and other impairment charges	133	124
Changes in working capital and other, net	(338)	(281)
Net cash provided by operating activities	6	38
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(167)	(107)
Proceeds from the disposition of property and equipment	11	16
Other investing activities, net	1	2
Net cash used in investing activities	(155)	(89)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bank borrowings and long-term debt	2	—
Repayments of bank borrowings and long-term debt	(243)	(35)
Payments for repurchases of ordinary shares	(197)	(181)
Other financing activities, net	(48)	6
Net cash used in financing activities	(486)	(210)
Effect of exchange rates on cash and cash equivalents	1	(56)
Net decrease in cash and cash equivalents	(634)	(317)
Cash and cash equivalents, beginning of period	3,294	2,964
Cash and cash equivalents, end of period	\$ 2,660	\$ 2,647
Non-cash investing activities:		
Unpaid purchases of property and equipment	\$ 158	\$ 172
Right-of-use assets obtained in exchange of operating lease liabilities	37	22

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") is the diversified manufacturing partner of choice that helps market-leading brands design, build and deliver innovative products that improve the world. Through the collective strength of a global workforce across approximately 30 countries with responsible, sustainable operations, Flex supports the entire product lifecycle with advanced manufacturing solutions and operates one of the most trusted global supply chains. The Company also provides additional value to customers through a broad array of services, including design and engineering, component services, rapid prototyping, fulfillment, and circular economy solutions. Flex supports a diverse set of industries including cloud, communications, enterprise, automotive, industrial, consumer devices, lifestyle, healthcare, and energy. As of June 30, 2023, Flex's three operating and reportable segments were as follows:

- Flex Agility Solutions ("FAS"), which is comprised of the following end markets:
 - *Communications, Enterprise and Cloud*, including data infrastructure, edge infrastructure and communications infrastructure
 - *Lifestyle*, including appliances, consumer packaging, floorcare, micro mobility and audio
 - *Consumer Devices*, including mobile and high velocity consumer devices.
- Flex Reliability Solutions ("FRS"), which is comprised of the following end markets:
 - *Automotive*, including next generation mobility, autonomous, connectivity, electrification, and smart technologies
 - *Health Solutions*, including medical devices, medical equipment and drug delivery
 - *Industrial*, including capital equipment, industrial devices, and renewables and grid edge.
- Nextracker, the leading provider of intelligent, integrated solar tracker and software solutions used in utility-scale and ground-mounted distributed generation solar projects around the world. Nextracker's products enable solar panels to follow the sun's movement across the sky and optimize plant performance.

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). The Company also provides intelligent, integrated solar tracker and software solutions used in utility-scale and ground-mounted distributed generation solar projects around the world.

Basis of Presentation and Principles of Consolidation

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, 2023 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 statement have been included. Operating results for the three-month period ended June 30, 2023 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2024. Certain prior period amounts in the condensed consolidated financial statements, as well as in the Notes thereto, have been reclassified to conform to the current presentation.

The first quarters for fiscal years 2024 and 2023 ended on June 30, 2023, which is comprised of 91 days in the period, and July 1, 2022, which is comprised of 92 days, 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. A controlling financial interest may also exist in variable interest entities ("VIEs"), through governance provisions and arrangements to provide services to VIEs.

The Company is required to consolidate a VIE of which it is the primary beneficiary. To determine if the Company is the primary beneficiary, the Company evaluates whether it has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb the losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates its relationships with its VIEs on an ongoing basis to determine whether it continues to be the primary beneficiary. The condensed consolidated financial statements reflect the assets and liabilities of VIEs that are consolidated. For the consolidated majority-owned subsidiaries in which the Company owns less than 100%, the Company recognizes a noncontrolling interest for the ownership of the noncontrolling owners. As of June 30, 2023, we presented noncontrolling interest as permanent equity in the condensed balance sheets, reflecting the equity held by other parties. The amount of consolidated net income attributable to Flex Ltd. and the noncontrolling interest and redeemable noncontrolling interest are presented in the condensed consolidated statements of operations.

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, and intangible assets; valuation of goodwill; valuation of investments in privately-held companies; asset impairments; fair values of financial instruments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; incremental borrowing rates 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 geopolitical conflicts (including the Russian invasion of Ukraine), 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 the Russian invasion of Ukraine. 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 Pronouncements

In September 2022, the FASB issued ASU 2022-04 "Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations", which requires a buyer in a supplier finance program to disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. To achieve that objective, the buyer should disclose qualitative and quantitative information about its supplier finance programs. The amendments in this update do not affect the recognition, measurement, or financial statement presentation of obligations covered by supplier finance program. The guidance is effective for the Company beginning in the first quarter of fiscal year 2024, except for the amendment on rollforward information which is effective in fiscal year 2025, with early adoption permitted. The Company adopted the guidance retrospectively during the first quarter of fiscal year 2024, including a rollforward of changes in those obligations, with immaterial impacts on its condensed consolidated financial statements.

The Company has four supplier finance programs, all of which have substantially similar characteristics, with various financial institutions that act as the paying agent for certain payables of the Company. The Company established these programs through agreements with the financial institutions to enable more efficient payment processing to our suppliers while also providing our suppliers a potential source of liquidity to the extent they choose to sell their receivables to the financial institutions in advance of the due date. Our suppliers' participation in the programs is voluntary, the Company is not involved in negotiations of the suppliers' arrangements with the financial institutions to sell their receivables, and our rights and obligations to our suppliers are not impacted by our suppliers' decisions to sell amounts under these programs. Under these supplier finance programs, the Company pays the financial institutions the stated amount of confirmed invoices from its participating suppliers on the original maturity dates of the invoices. All payment terms are short-term in nature and are not dependent on whether the suppliers participate in the supplier finance programs or if the suppliers elect to receive early payment from the financial institutions. No guarantees are provided by the Company under the supplier finance programs and the Company incurs no costs related to the programs. We have no economic interest in a supplier's decision to participate in the supplier finance programs.

Obligations under these programs are classified within accounts payable on the condensed consolidated balance sheets, with the associated payments reflected in the operating activities section of the condensed consolidated statement of cash flows. The

rollforward of the Company's outstanding obligations confirmed as valid under its supplier finance programs for the three-month period ended June 30, 2023 is as follows.

	Three-Month Period Ended
	June 30, 2023
	(In millions)
Confirmed obligations outstanding at the beginning of the period	\$ 275
Invoices confirmed during the period	272
Confirmed invoices paid during the period	(279)
Foreign currency exchange impact	3
Confirmed obligations outstanding at the end of the period	<u>\$ 271</u>

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 30, 2023	As of March 31, 2023
	(In millions)	
Raw materials	\$ 5,990	\$ 6,140
Work-in-progress	756	709
Finished goods	780	681
	<u>\$ 7,526</u>	<u>\$ 7,530</u>

Goodwill and Other Intangible Assets

During the three-month period ended June 30, 2023, there was no material activity in the Company's goodwill account for each of its reportable segments.

The components of acquired intangible assets are as follows:

	As of June 30, 2023			As of March 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In millions)					
Intangible assets:						
Customer-related intangibles	\$ 351	\$ (193)	\$ 158	\$ 373	\$ (204)	\$ 169
Licenses and other intangibles	302	(161)	141	299	(152)	147
Total	<u>\$ 653</u>	<u>\$ (354)</u>	<u>\$ 299</u>	<u>\$ 672</u>	<u>\$ (356)</u>	<u>\$ 316</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 millions)
2024 (1)	\$ 51
2025	64
2026	43
2027	36
2028	27
Thereafter	78
Total amortization expense	<u>\$ 299</u>

(1) Represents estimated amortization for the remaining fiscal nine-month period ending March 31, 2024.

Customer Working Capital Advances

Customer working capital advances were \$2.2 billion and \$2.3 billion, as of June 30, 2023 and March 31, 2023, respectively. The customer working capital advances are not interest-bearing, do not generally have fixed repayment dates and are generally reduced as the underlying working capital is consumed in production or the customer working capital advance agreement is terminated.

Other Current Liabilities

Other current liabilities include customer-related accruals of \$272 million and \$313 million as of June 30, 2023 and March 31, 2023, respectively.

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 (“MSAs”) 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) identifies the contracts with the customers; (ii) identifies performance obligations in the contracts; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations per the contracts; and (v) recognizes revenue when (or as) the Company satisfies a performance obligation. Further, the Company assesses whether control of the products or services promised under the contract are 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 intellectual property restrictions) and the Company has an enforceable right to payment including a reasonable profit for work-in-progress inventory with respect to these contracts. For certain other contracts, the Company’s performance creates and enhances an asset that the customer controls as the Company performs under the contract. 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 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 condensed 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. Contract liabilities, identified as deferred revenue, were \$897 million and \$885 million as of June 30, 2023 and March 31, 2023, respectively, of which \$802 million and \$795 million, respectively, is included in deferred revenue and customer working capital advances under current liabilities.

Disaggregation of Revenue

The following table presents the Company's revenue disaggregated based on timing of transfer, point in time or over time, for the three-month periods ended June 30, 2023 and July 1, 2022, respectively.

Timing of Transfer	Three-Month Periods Ended	
	June 30, 2023	July 1, 2022
	(In millions)	
FAS		
Point in time	\$ 3,436	\$ 3,779
Over time	165	212
Total	3,601	3,991
FRS		
Point in time	3,132	2,790
Over time	159	179
Total	3,291	2,969
Nextracker		
Point in time	6	23
Over time	474	372
Total	480	395
Intersegment eliminations		
Point in time	(36)	(8)
Over time	—	—
Total	(36)	(8)
Flex		
Point in time	6,538	6,584
Over time	798	763
Total	\$ 7,336	\$ 7,347

4. SHARE-BASED COMPENSATION

Equity Compensation Plans

Flex historically maintains stock-based compensation plans at a corporate level. The Company's primary plan used for granting equity compensation awards is the Company's 2017 Equity Incentive Plan (the "2017 Plan"). During the fiscal year 2023, Nextracker granted equity compensation awards to Nextracker employees under the 2022 Nextracker Inc. Equity Incentive Plan (the "2022 Nextracker Plan"), which is administered by Nextracker, a majority owned subsidiary of the Company.

Share-Based Compensation Expense

The following table summarizes the Company's share-based compensation expense for all equity incentive plans:

	Three-Month Periods Ended	
	June 30, 2023	July 1, 2022
	(In millions)	
Cost of sales	\$ 9	\$ 7
Selling, general and administrative expenses	32	19
Total share-based compensation expense	\$ 41	\$ 26

Total number of options outstanding and exercisable were immaterial as of June 30, 2023. All options have been fully expensed as of June 30, 2023.

The 2017 Plan

During the three-month period ended June 30, 2023, the Company granted 4.8 million restricted share unit ("RSU") awards. Of this amount, approximately 3.0 million are plain-vanilla unvested RSU awards that vest over a period of three years, with no performance or market conditions, and with an average grant date price of \$26.81 per award. In addition, approximately 0.4 million unvested shares represent the target amount of grants made to certain key employees whereby vesting is contingent on certain performance conditions, and with an average grant date price of \$26.72 per award. The number of shares contingent on performance conditions that ultimately will vest will range from zero up to a maximum of approximately 0.8 million based

on a measurement of the Company's adjusted earnings per share growth over certain specified periods, and will cliff vest after a period of three years, to the extent such performance conditions have been met. Further, approximately 0.4 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 \$35.64 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 approximately 0.8 million based on a measurement of the percentile rank of the Company's total shareholder return over certain specified periods against the Company's peer companies, and will cliff vest after a period of three years, to the extent such market conditions have been met. Finally, the remaining balance of approximately 1.2 million represents the number of shares issued upon vesting of RSU awards above target levels based on the achievement of certain market conditions for awards granted in the fiscal year 2021. These awards were issued and immediately vested in accordance with the terms and conditions of the underlying awards.

As of June 30, 2023, approximately 12.6 million unvested RSU awards under the 2017 plan were outstanding, of which vesting for a targeted amount of 1.3 million shares is contingent on meeting certain market conditions, and vesting for a targeted amount of 1.3 million shares is contingent on meeting certain performance conditions. The number of shares tied to market conditions that will ultimately be issued can range from zero to 2.6 million based on the achievement levels. The number of shares tied to performance conditions that will ultimately be issued can range from zero to 2.6 million based on the achievement levels. During the three-month period ended June 30, 2023, 2.3 million shares vested in connection with the awards with market conditions granted in fiscal year 2021.

As of June 30, 2023, total unrecognized compensation expense related to unvested RSU awards under the 2017 Plan, was approximately \$237 million, and will be recognized over a weighted-average remaining vesting period of 2.4 years.

The 2022 Nextracker Plan

During the three-month period ended June 30, 2023, Nextracker awarded 1.1 million equity-based compensation awards to its employees under the 2022 Nextracker Plan, which included approximately 0.5 million option awards, 0.5 million RSU ("NRSU") awards and 0.1 million performance-based restricted share unit ("NPSU") awards. Vesting for the awards granted under the 2022 Nextracker Plan is contingent upon continued employee service and certain performance conditions.

As of June 30, 2023, approximately 5.8 million unvested options awards, NRSU awards, and NPSU awards under the 2022 Nextracker Plan were outstanding, of which vesting for a targeted amount of approximately 3.8 million shares is contingent on meeting certain performance conditions.

Total unrecognized compensation expense related to unvested awards under the 2022 Nextracker Plan was approximately \$61 million, which is expected to be recognized over a weighted-average period of approximately 2.5 years. Approximately \$8 million of expense was recognized for equity-based compensation awards granted under the 2022 Nextracker Plan for the three-month period ended June 30, 2023.

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 30, 2023	July 1, 2022
	(In millions, except per share amounts)	
Basic earnings per share attributable to the shareholders of Flex Ltd.		
Net income	\$ 211	\$ 195
Net income attributable to noncontrolling interest and redeemable noncontrolling interest	25	6
Net income attributable to Flex Ltd.	\$ 186	\$ 189
Shares used in computation:		
Weighted-average ordinary shares outstanding	447	458
Basic earnings per share	\$ 0.42	\$ 0.41
Diluted earnings per share attributable to the shareholders of Flex Ltd.		
Net income	\$ 211	\$ 195
Net income attributable to noncontrolling interest and redeemable noncontrolling interest	25	6
Net income attributable to Flex Ltd.	\$ 186	\$ 189
Shares used in computation:		
Weighted-average ordinary shares outstanding	447	458
Weighted-average ordinary share equivalents from RSU awards (1)	8	10
Weighted-average ordinary shares and ordinary share equivalents outstanding	455	468
Diluted earnings per share	\$ 0.41	\$ 0.40

(1) An immaterial amount of RSU awards and 5.2 million RSU awards for the three-month periods ended June 30, 2023 and July 1, 2022, respectively, 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 30, 2023 and March 31, 2023 are as follows:

	Maturity Date	As of June 30, 2023	As of March 31, 2023
		(In millions)	
4.750% Notes (1)	June 2025	\$ 597	\$ 599
3.750% Notes (1)	February 2026	685	686
6.000% Notes (1)	January 2028	397	396
4.875% Notes (1)	June 2029	658	658
4.875% Notes (1)	May 2030	684	685
JPY Term Loan (2)	April 2024	—	253
Delayed Draw Term Loan	November 2023	150	150
Nextracker Term Loan	February 2028	150	150
3.600% HUF Bonds	December 2031	294	284
Other		—	1
Debt issuance costs		(20)	(21)
		3,595	3,841
Current portion, net of debt issuance costs		(151)	(150)
Non-current portion		\$ 3,444	\$ 3,691

- (1) The notes are carried at the principal amount of each note, less any unamortized discount or premium and unamortized debt issuance costs. These notes represent the Company's senior unsecured obligations and hold equal ranking with all other existing and future senior unsecured debt obligations.
- (2) During the first quarter of fiscal year 2024, the Company repaid the JPY Term Loan for approximately \$241 million. In addition, the Company also settled the associated USD JPY cross currency swap for approximately \$60 million.

The weighted-average interest rate for the Company's long-term debt was 4.6% and 4.7% as of June 30, 2023 and March 31, 2023, respectively.

Scheduled repayments of the Company's bank borrowings and long-term debt as of June 30, 2023 are as follows:

Fiscal Year Ending March 31,	Amount (In millions)
2024 (1)	\$ 151
2025	—
2026	1,282
2027	—
2028	547
Thereafter	1,635
Total	<u>\$ 3,615</u>

- (1) Represents estimated repayments for the remaining fiscal nine-month period ending March 31, 2024.

7. INTEREST, NET

Interest and other, net for the three-month periods ended June 30, 2023 and July 1, 2022 are primarily composed of the following:

	Three-Month Periods Ended	
	June 30, 2023	July 1, 2022
	(In millions)	
Interest expenses on debt obligations	\$ 47	\$ 43
Interest income	(18)	(4)
AR sales program related expenses	12	5

8. FINANCIAL INSTRUMENTS

Foreign Currency Contracts

The Company enters into short-term and long-term foreign currency derivative contracts, including forward, swap, and options contracts, to hedge only those currency exposures associated with certain assets and liabilities, primarily accounts receivable, accounts payable, debt, 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 institutions were not material.

As of June 30, 2023, the aggregate notional amount of the Company's outstanding foreign currency derivative contracts was \$11.3 billion as summarized below:

Currency	Notional Contract Value in USD	
	Buy	Sell
Cash Flow Hedges		
HUF	\$ 446	\$ —
MXN	566	—
Other	649	37
	<u>1,661</u>	<u>37</u>
Other Foreign Currency Contracts		
CNY	541	66
EUR	2,515	2,750
GBP	229	308
HUF	179	144
MXN	636	508
MYR	327	170
Other	655	575
	<u>5,082</u>	<u>4,521</u>
Total Notional Contract Value in USD	<u>\$ 6,743</u>	<u>\$ 4,558</u>

As of June 30, 2023, 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 other charges (income), net in the condensed consolidated statements of operations. As of June 30, 2023 and March 31, 2023, 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. The deferred gain was \$27 million as of June 30, 2023, and is expected to be recognized primarily as a component of cost of sales in the condensed consolidated statements of operations over the next twelve-month period, except for the USD HUF cross currency swaps.

The Company entered into USD HUF cross currency swaps in December 2021 to hedge the foreign currency risk on the HUF bonds due December 2031, and the fair value of the cross currency swaps was included in current and long-term other liabilities as of June 30, 2023 and March 31, 2023. The changes in fair value of the USD HUF cross currency swaps are reported in accumulated other comprehensive loss. In addition, corresponding amounts are reclassified out of accumulated other comprehensive loss to other charges (income), net to offset the remeasurement of the underlying HUF bond 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			
Balance Sheet Location	Fair Value		Balance Sheet Location	Fair Value				
	June 30, 2023	March 31, 2023		June 30, 2023	March 31, 2023			
(In millions)								
Derivatives designated as hedging instruments								
Foreign currency contracts	Other current assets	\$ 60	\$ 46	Other current liabilities	\$ 15	\$ 22		
Foreign currency contracts	Other assets	\$ —	\$ —	Other liabilities	\$ 17	\$ 88		
Derivatives not designated as hedging instruments								
Foreign currency contracts	Other current assets	\$ 39	\$ 26	Other current liabilities	\$ 47	\$ 19		

The Company has financial instruments subject to master netting arrangements, which provide for the net settlement of all contracts with certain counterparties. The Company does not offset fair value amounts for assets and liabilities recognized for derivative instruments under these arrangements, 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 30, 2023			July 1, 2022		
	Unrealized gain (loss) on derivative instruments and other	Foreign currency translation adjustments	Total	Unrealized gain (loss) on derivative instruments and other	Foreign currency translation adjustments	Total
(In millions)						
Beginning balance	\$ (14)	\$ (180)	\$ (194)	\$ (66)	\$ (116)	\$ (182)
Other comprehensive gains (loss) before reclassifications	101	(9)	92	(79)	(68)	(147)
Net (gains) loss reclassified from accumulated other comprehensive loss	(67)	—	(67)	78	(3)	75
Net current-period other comprehensive gains (loss)	34	(9)	25	(1)	(71)	(72)
Ending balance	\$ 20	\$ (189)	\$ (169)	\$ (67)	\$ (187)	\$ (254)

Substantially all unrealized gains and losses relating to derivative instruments and other, reclassified from accumulated other comprehensive loss for the three-month period ended June 30, 2023 were reclassified out of accumulated other comprehensive loss to other charges (income), net and 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. The tax impacts on the changes in accumulated other comprehensive loss for the three-month periods ended June 30, 2023 and July 1, 2022 were \$2 million and \$4 million tax benefits, respectively.

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 historically has engaged in asset-backed securitization programs (the “ABS Programs”), selling trade receivables to affiliated special purpose entities and then to unaffiliated financial institutions. Upon the sale of the receivables from the special purpose entities to the unaffiliated financial institutions, the receivables are derecognized from our consolidated balance sheet as effective control of the transferred receivables is passed to the unaffiliated financial institutions, which have the right to pledge or sell the receivables. Accounts receivable sold under the ABS Programs are included as cash provided by operating activities in the consolidated statement of cash flow. During the three-month periods ended June 30, 2023 and July 1, 2022, no accounts receivable were sold under the ABS Programs.

Trade Accounts Receivable Sale Programs

The Company also sells 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 \$0.8 billion and \$0.8 billion as of June 30, 2023 and March 31, 2023, respectively. For the three-month periods ended June 30, 2023 and July 1, 2022, total accounts receivable sold to certain third-party banking institutions was approximately \$0.8 billion and \$0.8 billion, respectively. The receivables that were sold were removed from the condensed consolidated balance sheets and the cash received was 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. There were no balances classified as level 1 in the fair value hierarchy as of June 30, 2023 and March 31, 2023.

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 include 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 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 assets on the consolidated balance sheets and 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.

There were no transfers between levels in the fair value hierarchy during the three-month periods ended June 30, 2023 and July 1, 2022.

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 30, 2023 and March 31, 2023:

	Fair Value Measurements as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	\$ —	\$ 1,266	\$ —	\$ 1,266
Foreign currency contracts (Note 8)	—	99	—	99
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	—	40	—	40
Liabilities:				
Foreign currency contracts (Note 8)	\$ —	\$ (79)	\$ —	\$ (79)

	Fair Value Measurements as of March 31, 2023			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
Money market funds and time deposits (included in cash and cash equivalents of the condensed consolidated balance sheet)	\$ —	\$ 2,324	\$ —	\$ 2,324
Foreign currency contracts (Note 8)	—	72	—	72
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	—	37	—	37
Liabilities:				
Foreign currency contracts (Note 8)	\$ —	\$ (129)	\$ —	\$ (129)

Other financial instruments

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

	As of June 30, 2023		As of March 31, 2023		Fair Value Hierarchy
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
	(In millions)				
JPY Term Loan due April 2024	\$ —	\$ —	\$ 253	\$ 253	Level 2
4.750% Notes due June 2025	597	585	599	590	Level 1
3.750% Notes due February 2026	685	654	686	657	Level 1
6.000% Notes due January 2028	397	404	396	399	Level 1
4.875% Notes due June 2029	658	630	658	631	Level 1
4.875% Notes due May 2030	684	663	685	661	Level 1
Delayed Draw Term Loan due November 2023	150	150	150	150	Level 2
Nextracker Term Loan due February 2028	150	146	150	150	Level 2
3.600% HUF Bonds due December 2031	294	215	284	196	Level 2

The Notes due June 2025, February 2026, January 2028, June 2029 and May 2030 are valued based on broker trading prices in active markets. HUF Bonds and Nextracker Term Loan due February 2028 are valued based on the broker trading prices in an inactive market.

The Delayed Draw Term Loan due November 2023 bears interest at floating interest rates, and therefore, as of June 30, 2023, 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. 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 effect on the Company's results of operations or cash flows for a particular period or on the Company's financial condition.

One of the Company's Brazilian subsidiaries has received assessments for certain sales and import taxes. There were originally six tax assessments totaling the updated amount inclusive of interest and penalties of 419 million Brazilian reais (approximately USD \$86 million based on the exchange rate as of June 30, 2023). The Company successfully defeated one of the six assessments in September 2019 (totaling approximately 61 million Brazilian reais or USD \$13 million). The Company successfully defeated another three of the assessments in September 2022 (totaling the updated amount inclusive of interest and penalties of approximately 261 million Brazilian reais or USD \$54 million), each of which remains subject to appeal. The Company was unsuccessful at the administrative level for one of the assessments and filed an annulment action in federal court in Brasilia, Brazil on March 23, 2020; the updated value of that assessment inclusive of interest and penalties is 41 million Brazilian reais (approximately USD \$8 million). One of the assessments remains in the review process at the administrative level. The Company believes there is no legal basis for any of these assessments and that it 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 in the near future.

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. On September 28, 2020, the Company made a submission to OFAC that completed the Company's voluntary disclosure based on the results of an internal investigation regarding the matter. On June 11, 2021, the Company notified OFAC that it had identified possible additional relevant transactions at one non-U.S. Flex-affiliated operation. The Company submitted an update to OFAC on November 16, 2021 reporting on the results of its review of those transactions. The Company intends to continue to cooperate fully with OFAC in this matter going forward. Nonetheless, 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 \$221 million in taxes owed for multiple Flex legal entities within its jurisdiction for various fiscal years ranging from fiscal year 2010 through fiscal year 2020. The assessed amounts related to the denial of certain deductible intercompany payments and taxability of income earned outside such jurisdiction. The Company disagrees with the Tax Authority's assessments and is actively contesting the assessments through the administrative and judicial processes.

As the final resolution of the above outstanding tax item remains uncertain, the Company continues to provide for the uncertain tax positions based on the more likely than not standard. While the resolution of the issues may result in tax liabilities, interest and penalties, which may be significantly higher than the amounts accrued for these matters, management currently believes that the resolution will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

In addition to the matters discussed above, from time to time, the Company is subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Company defends itself vigorously against any such claims. Although the outcome of these matters is currently not determinable, management expects that any losses that are probable or reasonably possible of being incurred as a result of these matters, which are in excess of amounts already accrued in the Company's consolidated balance sheets, would not be material to the financial statements as a whole.

13. SHARE REPURCHASES

During the three-month period ended June 30, 2023, the Company repurchased 8.7 million shares at an aggregate purchase price of \$197 million, and retired all of these shares.

Under the Company's current share repurchase program, the Board of Directors authorized repurchases of its outstanding ordinary shares for up to \$1.0 billion 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 25, 2022. As of June 30, 2023, shares in the aggregate amount of \$697 million were available to be repurchased under the current plan.

14. SEGMENT REPORTING

The Company reports its financial performance based on three operating and reportable segments, Flex Agility Solutions, Flex Reliability Solutions and Nextracker, and analyzes operating income as the measure of segment profitability. The determination of these 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 intangible amortization, stock-based compensation, restructuring charges, legal and other, and interest, net and other charges (income), net. A portion of depreciation is allocated to the respective segments, together with other general corporate research and development and administrative expenses.

Selected financial information by segment is in the table below.

	Three-Month Periods Ended	
	June 30, 2023	July 1, 2022
	(In millions)	
Net sales:		
Flex Agility Solutions	\$ 3,601	\$ 3,991
Flex Reliability Solutions	3,291	2,969
Nextracker	480	395
Intersegment eliminations	(36)	(8)
	<u>\$ 7,336</u>	<u>\$ 7,347</u>
Segment income and reconciliation of income before income taxes:		
Flex Agility Solutions	\$ 146	\$ 171
Flex Reliability Solutions	165	147
Nextracker	82	30
Corporate and Other	(16)	(18)
Total segment income	<u>377</u>	<u>330</u>
Reconciling items:		
Intangible amortization	20	22
Stock-based compensation	41	26
Restructuring charges	23	—
Legal and other (1)	2	10
Interest, net	41	49
Other charges (income), net	11	(9)
Income before income taxes	<u>\$ 239</u>	<u>\$ 232</u>

- (1) Legal and other 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 as well as acquisition related costs and customer related asset recoveries. During the first quarter of fiscal year 2023, the Company accrued for certain loss contingencies where losses are considered probable and estimable.

Corporate and other primarily includes corporate service costs that are not included in the chief operating decision maker's ("CODM") assessment of the performance of each of the identified reportable segments.

The Company provides an overall platform of assets and services, which the segments utilize for the benefit of their various customers. The shared assets and services are contained within the Company's global manufacturing and design operations and include manufacturing and design facilities. Most of the underlying manufacturing and design assets are co-mingled in the operating campuses and are compatible to operate across segments and highly interchangeable throughout the platform. Given the highly interchangeable nature of the assets, they are not separately identified by segment nor reported by segment to the Company's CODM.

15. RESTRUCTURING CHARGES

The Company continued to identify certain structural changes to restructure its business throughout the first quarter of fiscal year 2024. During the three-month period ended June 30, 2023, the Company recognized approximately \$23 million of restructuring charges, most of which related to employee severance.

The following table summarizes the provisions, respective payments, and remaining accrued balance as of June 30, 2023 for charges incurred during the three-month period ended June 30, 2023:

	Severance	Long-Lived Asset Impairment	Other Exit Costs	Total
	(In millions)			
Balance as of March 31, 2023	\$ 44	\$ —	\$ 6	\$ 50
Provision for charges incurred during the three-month period ended June 30, 2023	20	3	—	23
Cash payments during the three-month period ended June 30, 2023	(22)	—	—	(22)
Non-cash charges incurred during the three-month period ended June 30, 2023	—	(3)	—	(3)
Balance as of June 30, 2023	42	—	6	48
Less: Current portion (classified as other current liabilities)	42	—	6	48
Accrued restructuring costs, net of current portion (classified as other liabilities)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

16. VARIABLE INTEREST ENTITIES

The Company controls Nextracker Inc. ("Nextracker") through its holding of Class B common stock that does not participate in the earnings of Nextracker. As such, the shareholders of the equity at risk in Nextracker (the Class A common stock shareholders) do not have the power to direct the key activities of Nextracker and consequently Nextracker is a variable interest entity ("VIE"). The Company has the ability to control Nextracker's activities through its control of 61.2% and 61.4% of the voting rights of Nextracker as of June 30, 2023 and March 31, 2023, respectively. The Company also has the ability to receive significant benefits from the VIE (through its ability to convert its investments in Nextracker and Nextracker LLC into Class A common stock of Nextracker or cash) and as such the Company has been determined to be the primary beneficiary of the VIE. As such, the Company continues to consolidate Nextracker and the interests in Nextracker held by third parties are presented as a noncontrolling interest. Evaluation of the VIE model and identification of the primary beneficiary requires significant judgements to be made regarding which entities can control the activities of a VIE, who can receive benefits or absorb losses from the VIE and the significance of those benefits and losses to the VIE.

As of June 30, 2023 and March 31, 2023, noncontrolling interest was \$380 million and \$355 million, respectively. Net income attributable to noncontrolling interest was \$25 million and zero for the three-month periods ended June 30, 2023 and July 1, 2022, respectively. As a result of the Nextracker's February 13, 2023 initial public offering ("IPO"), the noncontrolling interest previously determined to be redeemable prior to the IPO did not exist as of June 30, 2023. Net income attributable to redeemable noncontrolling interest was zero and \$6 million for the three-month periods ended June 30, 2023 and July 1, 2022, respectively.

The carrying amounts and classification of the VIE's external assets and liabilities as of June 30, 2023 and March 31, 2023 are included in the condensed consolidated balance sheets as follows:

	As of June 30, 2023	As of March 31, 2023
	(In millions)	(Unaudited)
Assets		
Current assets:		
Cash	\$ 355	\$ 130
Accounts receivable, net	223	271
Contract assets	320	298
Inventories	137	138
Other current assets	82	35
Total current assets	1,117	872
Property and equipment, net	7	7
Goodwill	265	265
Other intangible assets, net	1	1
Other assets	267	275
Total assets	<u>\$ 1,657</u>	<u>\$ 1,420</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 293	\$ 211
Accrued expenses	57	60
Deferred revenue	251	176
Other current liabilities	53	49
Total current liabilities	654	496
Long-term debt	147	147
Other liabilities	277	280
Total liabilities	<u>\$ 1,078</u>	<u>\$ 923</u>

17. SUBSEQUENT EVENTS

On July 3, 2023, the Company's subsidiary Nextracker completed a follow-on offering to its IPO, which was completed on February 13, 2023, and issued 15,631,562 shares of Class A common stock and received net proceeds of \$551 million. The entire net proceeds were used by Nextracker to acquire 14,025,000 Nextracker LLC common units from Yuma, Inc., the Company's indirect wholly-owned subsidiary, and 1,606,562 Nextracker LLC common units from TPG Rise Flash, L.P., an affiliate of the global alternative asset management firm TPG. As a result of the repurchase of Nextracker LLC common units by Nextracker, 15,631,562 shares of Nextracker Class B common stock were cancelled. Subsequent to the follow-on offering, Flex owned 74,432,619 shares of Class B common stock, representing 51.5% of the total outstanding shares of Nextracker common stock and, accordingly, still controls Nextracker. The Company received approximately \$495 million from the follow-on offering, after distribution of net proceeds to TPG and expenses.

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 (the "SEC"). 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 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 fiscal year ended March 31, 2023. 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 diversified manufacturing partner of choice that helps market-leading brands design, build and deliver innovative products that improve the world. Through the collective strength of a global workforce across approximately 30 countries with responsible, sustainable operations, we support the entire product lifecycle with advanced manufacturing solutions and operate one of the most trusted global supply chains. We also provide additional value to customers through a broad array of services, including design engineering, component services, rapid prototyping, fulfillment, and circular economy solutions. We support a diverse set of industries including cloud, communications, enterprise, automotive, industrial, consumer devices, lifestyle, healthcare, and energy. As of June 30, 2023, our three operating and reportable segments were as follows:

- Flex Agility Solutions ("FAS"), which is comprised of the following end markets:
 - *Communications, Enterprise and Cloud*, including data infrastructure, edge infrastructure and communications infrastructure
 - *Lifestyle*, including appliances, consumer packaging, floorcare, micro mobility and audio
 - *Consumer Devices*, including mobile and high velocity consumer devices.
- Flex Reliability Solutions ("FRS"), which is comprised of the following end markets:
 - *Automotive*, including next generation mobility, autonomous, connectivity, electrification, and smart technologies
 - *Health Solutions*, including medical devices, medical equipment and drug delivery
 - *Industrial*, including capital equipment, industrial devices, and renewables and grid edge.
- Nextracker, the leading provider of intelligent, integrated solar tracker and software solutions used in utility-scale and ground-mounted distributed generation solar projects around the world. Nextracker's products enable solar panels to follow the sun's movement across the sky and optimize plant performance.

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 lifecycle.

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 solution 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 customers' supply chain solution needs across all the markets we serve and earn a return on our invested capital above the weighted average cost of that capital.

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 Component Shortages and Logistical Constraints on our Business

Component shortages and logistical constraints improved as the year progressed, however, we continue to see constraints in large-node semiconductors. We continue to monitor potential supply chain disruptions. Refer to "Risk Factors - *“Supply chain disruptions, manufacturing interruptions or delays, or the failure to accurately forecast customer demand, have in the past affected, and may in the future, affect our ability to meet customer demand, lead to higher costs, or result in excess or obsolete inventory. We have been and continue to be adversely affected by supply chain issues, including shortages of required electronic components.”* as disclosed in Part I, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023.

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.

Russian Invasion of Ukraine

We continue to monitor and respond to the escalating conflict in Ukraine and the associated sanctions and other restrictions. As of the date of this report, there is no material impact to our business operations and financial performance in Ukraine. The full impact of the conflict on our business operations and financial performance remains uncertain and will depend on future developments, including the severity and duration of the conflict and its impact on regional and global economic conditions. We will continue to monitor the conflict and assess the related restrictions and other effects and pursue prudent decisions for our team members, customers, and business.

Other Developments

On July 3, 2023, our subsidiary Nextracker Inc. ("Nextracker") completed a follow-on offering to its initial public offering, which was completed on February 13, 2023, and issued 15,631,562 shares of Class A common stock and received net proceeds of \$551 million. The entire net proceeds were used by Nextracker to acquire 14,025,000 Nextracker LLC common units from Yuma, Inc., our indirect wholly-owned subsidiary, and 1,606,562 Nextracker LLC common units from TPG Rise Flash, L.P., an affiliate of the global alternative asset management firm TPG. As a result of the repurchase of Nextracker LLC common units by Nextracker, 15,631,562 shares of Nextracker Class B common stock were cancelled. Subsequent to the follow-on offering, we owned 74,432,619 shares of Class B common stock, representing 51.5% of the total outstanding shares of Nextracker common stock and, accordingly, still controls Nextracker. We received approximately \$495 million from the follow-on offering, after distribution of net proceeds to TPG and expenses.

Business Overview

We are one of the world's largest providers of global supply chain solutions, with revenues of \$7.3 billion for the three-month period ended June 30, 2023 and \$30.3 billion in the fiscal year ended March 31, 2023. We have established an extensive network of manufacturing facilities in the world's major consumer and enterprise markets (Asia, the Americas, and Europe) to serve the growing outsourcing needs of both multinational and regional customers. We design, build, ship, and service consumer and enterprise products for our customers through a network of over 100 facilities in approximately 30 countries across four continents. We also provide intelligent, integrated solar tracker and software solutions used in utility-scale and ground-mounted distributed generation solar projects around the world. The following tables set forth the relative percentages and dollar amounts of net sales by region and by country, and net property and equipment by country, based on the location of our manufacturing sites:

	Three-Month Periods Ended					
	June 30, 2023		July 1, 2022			
	(In millions)					
<u>Net sales by region:</u>						
Americas	\$	3,482	47 %	\$	3,315	45 %
Asia		2,317	32 %		2,517	34 %
Europe		1,537	21 %		1,515	21 %
	\$	7,336		\$	7,347	

Net sales by country:				
Mexico	\$ 1,731	24 %	\$ 1,555	21 %
China	1,414	19 %	1,584	22 %
U.S.	1,325	18 %	1,216	17 %
Malaysia	546	7 %	570	8 %
Brazil	402	5 %	527	7 %
Hungary	351	5 %	286	4 %
Other	1,567	22 %	1,609	21 %
	<u>\$ 7,336</u>		<u>\$ 7,347</u>	

<u>Property and equipment, net:</u>	As of		As of			
	June 30, 2023		March 31, 2023			
	(In millions)					
Mexico	\$	788	33 %	\$	763	32 %
U.S.		361	15 %		365	16 %
China		336	14 %		338	14 %
Malaysia		152	6 %		152	6 %
Hungary		140	6 %		140	6 %
India		91	4 %		96	4 %
Other		495	22 %		495	22 %
	\$	2,363		\$	2,349	

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:

- global economic conditions, including inflationary pressures, currency volatility, slower growth or recession, higher interest rates, and geopolitical uncertainty (including the ongoing conflict between Russia and Ukraine);

- 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, 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 ongoing conflict between Russia and Ukraine) 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 impacts on our business due to component shortages, disruptions in transportation or other supply chain related constraints;
- exposure to infectious disease, epidemics and pandemics on our business operations in geographic locations impacted by the outbreak and on the business operations of our customers and suppliers;
- the effects on our business due to certain customers' products having short product lifecycles;
- 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, 2023.

CRITICAL ACCOUNTING 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 ongoing conflict between Russia and Ukraine, there has been and we expect there 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 the Russian invasion of Ukraine. 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, 2023, 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 (amounts may not sum due to rounding). 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 Annual Report on Form 10-K for the fiscal year ended March 31, 2023.

	Three-Month Periods Ended	
	June 30, 2023	July 1, 2022
Net sales	100.0 %	100.0 %
Cost of sales	91.8	92.7
Restructuring charges	0.2	—
Gross profit	8.0	7.3
Selling, general and administrative expenses	3.7	3.3
Restructuring charges	0.1	—
Intangible amortization	0.2	0.3
Operating income	4.0	3.7
Interest, net	0.6	0.6
Other charges (income), net	0.1	(0.1)
Income before income taxes	3.3	3.2
Provision for income taxes	0.4	0.5
Net income	2.9 %	2.7 %
Net income attributable to noncontrolling interest and redeemable noncontrolling interest	0.4	0.1
Net income attributable to Flex Ltd.	2.5 %	2.6 %

Net sales

The following table sets forth our net sales by segment, and their relative percentages (the sum of the individual percentages may not equal 100% due to rounding):

	Three-Month Periods Ended			
	June 30, 2023		July 1, 2022	
	(In millions)			
Net sales:				
Flex Agility Solutions	\$	3,601	49 %	\$ 3,991 54 %
Flex Reliability Solutions		3,291	45 %	2,969 41 %
Nextracker		480	7 %	395 5 %
Intersegment eliminations		(36)	— %	(8) — %
	\$	7,336		\$ 7,347

Net sales during the three-month period ended June 30, 2023 totaled \$7.3 billion, representing a decrease of approximately \$11 million, or less than 1% from \$7.3 billion during the three-month period ended July 1, 2022. Net sales for our FAS segment decreased approximately \$0.4 billion, or 10% from the three-month period ended July 1, 2022, primarily driven by a significant decrease in our Consumer Devices business and a mid-teens decrease in our Lifestyle business due to weakness in consumer end markets. Sales in our Communications, Enterprise and Cloud ("CEC") business were flat due to the effect of easing supply constraints and softer demand in certain markets. Net sales for our FRS segment increased approximately \$0.3 billion, or 11% from the three-month period ended July 1, 2022, primarily driven by a mid-teens increase in our Automotive business, a low-teens increase in our Health Solutions business and a high single-digit increase in our Industrial business due to strong customer demand and ramps across various end markets. Net sales for our Nextracker segment increased approximately \$0.1 billion, or 21% from the three-month period ended July 1, 2022, primarily driven by an increase in gigawatts delivered. Net sales decreased \$0.2 billion to \$2.3 billion in Asia, offset by a \$0.2 billion increase to \$3.5 billion in the Americas, and a \$23 million increase to \$1.5 billion in Europe.

Our ten largest customers during the three-month periods ended June 30, 2023 and July 1, 2022 accounted for approximately 34% and 35% of net sales, respectively. No customer accounted for more than 10% of net sales during the three-month periods ended June 30, 2023 or July 1, 2022.

Cost of sales

Cost of sales is affected by a number of factors, including the number and size of new manufacturing programs, product mix, labor cost fluctuations by region, component costs and availability and capacity utilization.

Cost of sales during the three-month period ended June 30, 2023 totaled \$6.7 billion, representing a decrease of approximately \$0.1 billion, or 1% from \$6.8 billion during the three-month period ended July 1, 2022. Lower cost of sales for the three-month period ended June 30, 2023 was primarily driven by a reduction in FAS segment sales, improvement in freight and logistics costs at Nextracker and favorable product mix within our FRS segment partially offset by an increase in FRS segment sales. Cost of sales in FAS for the three-month period ended June 30, 2023 decreased approximately \$0.4 billion, or 10% from the three-month period ended July 1, 2022, which is in line with the overall 10% decrease in FAS revenue during the same period. Cost of sales in FRS for the three-month period ended June 30, 2023 increased approximately \$0.3 billion, or 11% from the three-month period ended July 1, 2022, which is primarily attributed to the overall 11% increase in FRS revenue during the same period. Cost of sales in our Nextracker segment for the three-month period ended June 30, 2023 increased approximately \$17 million, or 5% from the three-month period ended July 1, 2022, primarily due to the 21% increase in Nextracker revenue during the same period, offset by improved profitability resulting from a decline in freight and logistics cost increases and overall better execution on our contracts.

Gross profit

Gross profit is affected by a fluctuation in cost of sales elements as outlined above and further by a number of factors, including product lifecycles, unit volumes, product mix, pricing, competition, new product introductions, 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 case 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 30, 2023 increased \$0.1 billion to \$0.6 billion, or 8% of net sales, from \$0.5 billion, or 7.3% of net sales, during the three-month period ended July 1, 2022. Gross margin improved 70 basis points during the three-month period ended June 30, 2023 primarily due to favorable mix with growth in our higher-margin FRS and Nextracker segments, partially offset by unfavorable mix in our CEC business.

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 intangible amortization, stock-based compensation, restructuring charges, legal and other, and interest, net and other charges (income), net. A portion of depreciation is allocated to the respective segments, together with other general corporate research and development and administrative expenses.

The following table sets forth segment income and margins. Segment margins in the table below may not recalculate exactly due to rounding.

	Three-Month Periods Ended			
	June 30, 2023		July 1, 2022	
	(In millions)			
Segment income:				
Flex Agility Solutions	\$	146	4.1 %	\$ 171 4.3 %
Flex Reliability Solutions		165	5.0 %	147 5.0 %
Nextracker		82	17.2 %	30 7.6 %

FAS segment margin decreased approximately 20 basis points, to 4.1%, for the three-month period ended June 30, 2023, from 4.3% for the three-month period ended July 1, 2022. The margin decrease was attributable to unfavorable mix and ramp costs in CEC.

FRS segment margin remained relatively flat at 5.0% for the three-month periods ended June 30, 2023 and July 1, 2022. Improving margins in our Health Solutions business due to increased productivity offset by continued project ramps and costs related to lingering semiconductor supply chain disruptions in our Industrial and Automotive businesses.

Nextracker segment margin increased approximately 960 basis points, to 17.2% for the three-month period ended June 30, 2023, from 7.6% for the three-month period ended July 1, 2022. The margin increase was driven by improved pricing, freight savings, and favorable cost absorption with increased revenues.

Restructuring charges

During the three-month period ended June 30, 2023, we recognized approximately \$23 million of restructuring charges, primarily related to employee severance.

Selling, general and administrative expenses

Selling, general and administrative expenses (“SG&A”) was approximately \$0.3 billion, or 3.7% of net sales, during the three-month period ended June 30, 2023, increasing \$29 million from approximately \$0.2 billion, or 3.3% of net sales, during the three-month period ended July 1, 2022. The increase was primarily due to elevated SG&A costs to support higher revenue growth in our Nextracker segment and higher labor costs.

Intangible amortization

Amortization of intangible assets decreased to \$20 million during the three-month period ended June 30, 2023, from \$22 million for the three-month period ended July 1, 2022, primarily due to certain intangibles now being fully amortized.

Interest, net

Interest, net was an expense of \$41 million during the three-month period ended June 30, 2023 compared to an expense of \$49 million during the three-month period ended July 1, 2022, primarily due to higher interest income, offset by higher variable interest expense compared to the prior year period.

Other charges (income), net

Other charges (income), net was an expense of \$11 million during the three-month period ended June 30, 2023 compared to income of \$9 million during the three-month period ended July 1, 2022, primarily due to a higher foreign exchange transaction loss recognized 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 15, “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, 2023 for further discussion.

The consolidated effective tax rate was 12% and 16% for the three-month periods ended June 30, 2023 and July 1, 2022, respectively. The effective tax 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, the Netherlands and Israel. The effective tax rate for the three-month period ended June 30, 2023 is lower than the effective tax rate for the three-month period ended July 1, 2022, due to the changing jurisdictional mix of income and the beneficial foreign exchange impacts on material tax balances for the period ended June 30, 2023.

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was enacted into law, which includes a new corporate minimum tax, a stock repurchase excise tax, numerous green energy credits, other tax provisions, and significantly increased enforcement resources. While detailed regulations on some aspects of the act are still outstanding, we do not anticipate a material impact to our consolidated financial statements from these provisions.

LIQUIDITY AND CAPITAL RESOURCES

In response to the challenging economic 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 30, 2023, we had cash and cash equivalents of approximately \$2.7

billion and bank and other borrowings of approximately \$3.6 billion. As of June 30, 2023, we had a \$2.5 billion revolving credit facility that is due to mature in July 2027 (the "2027 Credit Facility"), and a \$0.5 billion revolving credit facility that is due to mature in February 2028 (the "Nextracker Revolver"), under which we had no borrowings outstanding. As of June 30, 2023, we were in compliance with the covenants under all of our credit facilities and indentures; we also expect to remain in compliance with the covenants in the upcoming 12 months for our credit facilities and indentures.

In fiscal year 2024, we implemented a 10b5-1 bond buyback program, aiming to repurchase certain outstanding bonds issued by us. During the three-month period ended June 30, 2023, we repurchased approximately \$2 million of the 4.750% Notes due 2025, resulting in an immaterial gain on our condensed consolidated statement of operations.

Cash provided by operating activities was \$6 million during the three-month period ended June 30, 2023, primarily driven by \$0.2 billion of net income for the period plus \$0.2 billion of non-cash charges such as depreciation, amortization, non-cash lease expense, and stock-based compensation, offset by certain changes in net working capital as discussed below.

We believe net working capital ("NWC") is a key metric that measures our liquidity. Net working capital is calculated as current assets less current liabilities. Net working capital decreased \$0.3 billion to \$4.9 billion as of June 30, 2023, from \$5.2 billion as of March 31, 2023. This decrease is primarily driven by a \$0.6 billion decrease in cash due to debt repayments, capital expenditures, and share repurchases, offset by a \$0.1 billion increase in other current assets, and a \$0.1 billion decrease in deferred revenue and working capital advances.

Cash used in investing activities was \$0.2 billion during the three-month period ended June 30, 2023. This was primarily driven by \$0.2 billion of net capital expenditures for property and equipment to continue expanding capabilities and capacity in support of our CEC, Automotive, 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, less net purchases of property and equipment allowing us to present adjusted cash flows on a consistent basis for investors. Our adjusted free cash flow for the three-month periods ended June 30, 2023 and July 1, 2022 was an outflow of \$0.2 billion and an outflow of \$0.1 billion, respectively. 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 30, 2023	July 1, 2022
	(In millions)	
Net cash provided by operating activities	\$ 6	\$ 38
Purchases of property and equipment	(167)	(107)
Proceeds from the disposition of property and equipment	11	16
Adjusted free cash flow	<u>\$ (150)</u>	<u>\$ (53)</u>

Cash used by financing activities was \$0.5 billion during the three-month period ended June 30, 2023, which was primarily driven by \$0.2 billion of cash paid for the repurchase of our ordinary shares and \$0.3 billion of net cash for repayments of bank borrowings and long-term debt and an associated cross-currency swap.

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 30, 2023 and March 31, 2023, approximately 37% and 27%, respectively, 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 \$1.9 billion as of March 31, 2023). 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 various uncommitted short-term financing facilities including but not limited to a commercial paper program, and a revolving sale and repurchase of subordinated notes established under the asset-backed securitization ("ABS") programs, under which there were no borrowings outstanding as of June 30, 2023.

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 have the ability to sell a designated pool of trade receivables under 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 \$1.0 billion 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 25, 2022. During the three-month period ended June 30, 2023, we paid \$197 million to repurchase shares under the current repurchase plan at an average price of \$22.71 per share. As of June 30, 2023, shares in the aggregate amount of \$697 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, 2023.

There were no material changes in our contractual obligations and commitments as of June 30, 2023.

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 30, 2023 as compared to the fiscal year ended March 31, 2023.

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 Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of June 30, 2023. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2023, 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 Exchange Act, is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief 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 quarter ended June 30, 2023 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 fiscal year ended March 31, 2023, 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

The following table provides information regarding purchases of our ordinary shares made by us for the period from April 1, 2023 through June 30, 2023:

Period (2)	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2023 - May 5, 2023	4,718,147	\$ 20.99	4,718,147	\$ 794,016,115
May 6, 2023 - June 2, 2023	2,335,354	\$ 23.55	2,335,354	\$ 739,020,101
June 3, 2023 - June 30, 2023	1,601,576	\$ 26.54	1,601,576	\$ 696,520,800
Total	8,655,077		8,655,077	

- (1) During the period from April 1, 2023 through June 30, 2023, all purchases were made pursuant to the programs discussed below in open market transactions. All purchases were made in accordance with Rule 10b-18 under the Securities Exchange Act of 1934.
- (2) On August 25, 2022, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to \$1.0 billion. 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 30, 2023, shares in the aggregate amount of \$697 million were available to be repurchased under the current plan.

ITEM 3. *DEFAULTS UPON SENIOR SECURITIES*

None

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable

ITEM 5. *OTHER INFORMATION*

During the fiscal quarter ended June 30, 2023, none of the Company's directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as those terms are defined in Regulation S-K, Item 408.

ITEM 6. EXHIBITS
EXHIBIT INDEX

Exhibit No.	Exhibit	Form	Incorporated by Reference			Filed Herewith
			File No.	Filing Date	Exhibit No.	
10.01	Description of Annual Incentive Bonus Plan for Fiscal Year 2024					X
10.02	Summary of Compensation Arrangements of Certain Executive Officers of Flex Ltd.					X
10.03	Form of Restricted Share Unit Award Agreement under the Amended and Restated Flex Ltd. 2017 Equity Incentive Plan for performance-based vesting awards (FY24)					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 Exhibit 101)					

* This exhibit is furnished with this Quarterly Report on Form 10-Q, is not deemed filed with the Securities and Exchange Commission, and is not incorporated by reference into any filing of Flex Ltd. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FLEX LTD.
(Registrant)

/s/ REVATHI ADVAITHI

Revathi Advaiti
Chief Executive Officer
(Principal Executive Officer)

Date: July 28, 2023

/s/ PAUL R. LUNDSTROM

Paul R. Lundstrom
Chief Financial Officer
(Principal Financial Officer)

Date: July 28, 2023

DESCRIPTION OF ANNUAL INCENTIVE BONUS PLAN FOR FISCAL YEAR 2024*Annual Incentive Bonus Plan for Fiscal 2024*

On June 14, 2023, the Board of Directors (the “Board”) of Flex Ltd. (the “Company”) approved the Company’s Annual Incentive Bonus Plan for fiscal year 2024. The plan provides the Company’s executive officers with the opportunity to earn annual cash bonuses based upon the achievement of pre-established performance goals. Performance measures under the plan will be: operating profit, free cash flow and revenue targets at the Company level; and, additionally for certain executives, operating profit and revenue targets at the segment level. The plan allows awards to provide for different metrics, target levels and weightings for different executives. The Board, or the Board’s Compensation and People Committee, if so delegated by the Board, maintains the authority to adjust award payouts upon evaluation of each bonus award in the context of the Company’s overall performance.

Under the Annual Incentive Bonus Plan, target award opportunities are set at various percentages of base salary, which will be: 165% of base salary in the case of the Chief Executive Officer; 110% of base salary in the case of the Chief Financial Officer; and between 100% and 110% of base salary in the cases of other named executive officers. Actual payout opportunities for each bonus component will range from a threshold of 30% of target for operating profit, 30% of target for revenue, and 50% of target for free cash flow, to a maximum of 200% of target (for all metrics, inclusive of the modifiers described below), in each case based on achievement of the performance measures. If the Company or segment fails to achieve the threshold level for any performance measure, no payout is awarded for that measure. If the Company or segment fails to achieve the threshold level for all performance measures, the bonus payout will be capped at the target level. In addition, Company operating profit will be a funding metric for all Company bonus plans, including the executive plan, such that actual bonus payouts for executives may increase or decrease based on the level of Company operating profit (within +/- 20 percentage points) versus the enterprise-wide bonus payout level. If the Company or segment fails to achieve the threshold level for the operating profit performance measure, no payout is awarded for any measure. The Annual Incentive Bonus Plan includes environmental, social and governance (ESG) metrics, which could modify the actual bonus payouts by up to +/- 10 percentage points depending on performance against the ESG metrics. Additionally, actual bonus payouts based on achievement of performance goals will be subject to modification by up to +/- 10 percentage points depending on each executive officer’s individual performance as determined by the Compensation and People Committee. For purposes of calculating performance under the Annual Incentive Bonus Plan, the Compensation and People Committee has discretion to exclude extraordinary items or events that have an unanticipated impact, corporate transactions (including acquisitions or dispositions), and other unusual or nonrecurring items. For purposes of determining achievement of award opportunities, the plan uses adjusted, non-GAAP measures.

Summary of Compensation Arrangements of Certain Executive Officers of Flex Ltd.

Note: The following summary of compensation arrangements does not include all previously reported compensation arrangements or awards granted under previously disclosed incentive plans. Disclosures with respect to compensation for Named Executive Officers for the 2024 fiscal year will be included in the Company's definitive proxy statement for the Company's 2024 Annual General Meeting of Shareholders.

Compensation for Revathi Advaiti (*Chief Executive Officer*)

Ms. Advaiti's current annual base salary is \$1,325,000. Ms. Advaiti will be eligible to participate in the Company's annual incentive bonus plan and the long-term cash incentive deferred compensation program. Ms. Advaiti also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of her fiscal 2024 compensation.

Compensation for Paul R. Lundstrom (*Chief Financial Officer*)

Mr. Lundstrom's current annual base salary is \$735,000. Mr. Lundstrom will be eligible to participate in the Company's annual incentive bonus plan and the long-term cash incentive deferred compensation program. Mr. Lundstrom also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of his fiscal 2024 compensation.

Compensation for Kwanghooi (Hooi) Tan

Mr. Tan's current annual base salary is \$700,000. In addition, Mr. Tan will be eligible to participate in the Company's annual incentive bonus plan and long-term cash incentive deferred compensation plan. Mr. Tan also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of his fiscal 2024 compensation.

Compensation for Michael P. Hartung

Mr. Hartung's current annual base salary is \$735,000. In addition, Mr. Hartung will be eligible to participate in the Company's annual incentive bonus plan and long-term cash incentive deferred compensation plan. Mr. Hartung also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of his fiscal 2024 compensation.

Compensation for Scott Offer

Mr. Offer's current annual base salary is \$663,000. In addition, Mr. Offer will be eligible to participate in the Company's annual incentive bonus plan and long-term cash incentive deferred compensation plan. Mr. Offer also will be eligible to receive awards of performance-based restricted share unit awards and service-based restricted share unit awards under the Company's equity incentive plan as part of his fiscal 2024 compensation.

**FLEX LTD.
2017 EQUITY INCENTIVE PLAN**

FORM OF RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (this “*Agreement*” or 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 the 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»
Total Target Shares:	«Total Target Shares»
Target rTSR Shares:	«Target rTSR Shares» (i.e., 50% of the Total Target Shares)
Target EPS Shares:	«Target EPS Shares» (i.e., 50% of the Total Target Shares)
Maximum Shares:	200% of the Total Target Shares, Target EPS Shares or Target rTSR Shares, as applicable
Date of Grant:	«Grant Date»
Performance Period:	The three (3)-year period beginning on __, 2023 and ending on __, 2026.
rTSR Performance Criteria:	Vesting is based on the percentile rank of the Company’s Total Shareholder Return (TSR) in rTSR Peer Companies, measured with respect to each rTSR Measurement Period described below and averaged with respect to all three (3) rTSR Measurement Periods that relate to the Performance Period (i.e., the Company’s average percentile ranking).
EPS Performance Criteria:	Vesting is based on the Company’s earnings per share (EPS) growth, measured with respect to each EPS Measurement Period described below and averaged with respect to all three (3) EPS Measurement Periods that relate to the Performance Period (i.e., the Company’s average EPS growth).
rTSR Measurement Periods:	There are three distinct measurement periods within the Performance Period that are applied to determine the extent to which the rTSR Performance Criteria is attained: (i) the first measurement period will begin on __, 2023 and end on __, 2024; (ii) the second measurement period will begin on __, 2023 and end on __, 2025; and (iii) the third measurement period will begin on __, 2023 and end on __, 2026.
EPS Measurement Periods:	There are three distinct measurement periods within the Performance Period that are applied to determine the extent to which the EPS Performance Criteria is attained: (i) the first measurement period will begin on __, 2023 and end on __, 2024; (ii) the second measurement period will begin on __, 2024 and end on __, 2025; and (iii) the third measurement period will begin on __, 2025 and end on __, 2026.
rTSR Peer Companies:	The rTSR Peer Companies are the companies set forth on Exhibit B to this Agreement; <i>provided, however</i> , that the Peer Companies will be subject to change as described below.

PERFORMANCE MEASUREMENT, VESTING AND RELEASE

rTSR Payout Table: Payouts can range from 0 – 200% of the Target rTSR Shares based on the achievement levels set forth in the chart below:

<u>Performance Level</u>	<u>Percentile Rank of Flex TSR Relative to rTSR Peer Companies</u>	<u>Awards Earned as a % of the Target</u>
Maximum	>75th Percentile	200%
Below Maximum / Above Target	> 50th – ≤ 75th Percentile	Interpolate
Target	50th Percentile	100%
Below Target / Above Threshold	> 30th – < 50th Percentile	Interpolate
Threshold	30th Percentile	25%
Below Threshold	< 30th Percentile	0%

EPS Payout Table: Payouts can range from 0 – 200% of the Target EPS Shares based on the achievement levels set forth in the chart below:

<u>Performance Level</u>	<u>Year on Year EPS Growth</u>	<u>Awards Earned as a % of the Target</u>
Maximum	≥ 12%	200%
Below Maximum / Above Target	> 9% – < 12%	Interpolate
Target	9%	100%
Below Target / Above Threshold	> 6% – < 9%	Interpolate
Threshold	6%	50%
Below Threshold	< 6%	0%

Payout Matters: If threshold performance is not attained with respect to Target EPS Shares or Target rTSR Shares, then the RSU Award pursuant to the EPS or rTSR program, respectively, will be forfeited in its entirety. If threshold performance is attained, the applicable number of Shares will vest (as Vested Shares). If applicable, such number of Vested Shares will be determined on an interpolated basis for performance between (i) threshold and target or (ii) target and maximum, as the case may be, per the above Payout Tables. Fractional percentage points will be rounded to the nearest percentage point with respect to the rTSR Payout Table and the nearest tenth of a percentage point with respect to EPS Payout Table]. The foregoing describes payout matters in general terms and is subject to Sections 1.1(b) and (c) of this Agreement.

Vesting / Release: If the applicable rTSR Performance Criteria and/or EPS Performance Criteria (collectively, the “*Performance Criteria*”) is attained, the applicable number of Shares will vest (as Vested Shares) on the next business day following the third anniversary of [DATE]. The Vested Shares will be released as soon as administratively practicable thereafter (such date of release being the “*Release Date*”), and in any event following the end of the Performance Period and certification of results by the Committee, but prior to [DATE]. Applicable tax withholding and reporting will be contingent on the twenty (20)-day closing price average on the Release Date. The foregoing describes vesting and release matters in general terms and is subject to Sections 1.1(b) and (c) of this Agreement.

TSR-RELATED DEFINITIONS AND ADDITIONAL INFORMATION

Total Shareholder Return: TSR represents the cumulative return of an investment and includes the change in the stock price and dividend value from a specified start and ending period. The formula for the calculation is as follows:

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

TSR Payout Calculation: *In General:* The payout is determined by calculating the TSR of each rTSR Peer Company and determining the percentile rank of the Company's TSR as compared to the TSRs for all of the rTSR Peer Companies (that is, the number of members of the rTSR Peer Group with TSRs at or below the TSR of the Company); *provided* that a company will be removed from the group of rTSR Peer Companies if, during the applicable rTSR Measurement Period, it ceases to have a class of equity securities that is both registered under the Exchange Act and actively traded on a U.S. public securities market (unless such cessation is due to any of the circumstances described in clauses (i) through (iv) of the following sentence). The TSR for an rTSR Peer Company will be negative one hundred percent (-100%) for the applicable rTSR Measurement Period, if such company: (i) files for bankruptcy, reorganization, or liquidation under any chapter of the U.S. Bankruptcy Code; (ii) is the subject of an involuntary bankruptcy proceeding [under the U.S. Bankruptcy Code] that is not dismissed within thirty (30) days; (iii) is the subject of a stockholder approved plan of liquidation or dissolution; or (iv) ceases to conduct substantial business operations. For the avoidance of doubt, the acquisition of a company within the group of rTSR Peer Companies during the applicable rTSR Measurement Period by another person or group of related persons by itself does not result in the company being treated as ceasing to conduct substantial business operations.

20-Day Closing Price Average: To avoid the effects of short-term price fluctuations, a "20-day closing price average" will be used for determining TSR values, and will be calculated using a basic average of the applicable company's closing prices on the previous twenty (20) trading days prior to the beginning and end of each rTSR Measurement Period. Only the daily closing price will be used to determine TSR values as reported by the Wall Street Journal or any other reputable financial services information provider.

The formula for the calculation is as follows:

$$\text{20-Day Closing Price Average} = (\text{Sum of Prior 20-Day Closing Prices}) \div 20$$

Dividends Generally: Dividends (including any special dividends or distributions) will be assumed to be reinvested in shares (including fractional shares) of the applicable dividend-paying company, based on its per-share closing price on the date on which such dividends are paid.

Equity Distributions: In the case of an equity distribution, the value of distributed equity will be treated as a stock dividend, and captured using the 20-day closing price average for measuring performance, as described above.

Spin-Offs: In the event of a stock distribution from an rTSR Peer Company consisting of the shares of a new publicly traded company (a "spin-off"), such rTSR Peer Company shall remain as an rTSR Peer Company and such stock distribution shall be treated as a dividend from such rTSR Peer Company based on the closing price of the shares of the spun-off company on its first day of trading. The performance of the shares of the spun-off company shall not thereafter be tracked for TSR calculation purposes.

Other Equitable Adjustments: Equitable adjustments shall be made to account for stock splits, recapitalizations and other similar events affecting the common equity securities in question.

The formula for this TSR payout calculation is as follows:

$$((B + .5E) \div N) \times 100$$

B = Number of rTSR Peer Companies with TSRs below the Company's TSR

E = Number of rTSR Peer Companies with TSRs equal to the Company's TSR

N = The number of rTSR Peer Companies

EPS-RELATED DEFINITIONS AND ADDITIONAL INFORMATION

Earnings Per Share: EPS represents the Company's net income divided by the weighted average of the number of the Company's Ordinary Shares on a fully diluted basis during a specified start and ending period.

Earnings Per Share Growth: ***In General:*** EPS growth is determined based on the annual growth rate of the Company's EPS during the applicable EPS Measurement Period. For purposes of this calculation, (i) the starting point to calculate EPS growth shall be the Company's EPS for the twelve (12)-month period preceding the applicable EPS Measurement Period, (ii) the ending point to calculate EPS growth shall be the Company's EPS with respect to, and as of the close of, such EPS Measurement Period. EPS shall be determined on a non-GAAP basis. In calculating non-GAAP financial measures, the Committee shall exclude certain items to facilitate a review of the comparability of the Company's operating performance on a period-to-period basis because such items are not, in the Committee's view, related to the Company's ongoing operational performance. All adjustments shall be subject to approval by the Committee to ensure that payout levels are consistent with performance.

Extraordinary Items or Events: In addition to the non-GAAP measures and adjustments historically used by the Company in determining EPS, the following items shall be disregarded in determining achievement of the EPS growth performance goal: extraordinary items or events that have unanticipated impact (e.g., the Ukraine Conflict), corporate transactions (including acquisitions or dispositions) and other unusual or nonrecurring items. For purposes of such EPS growth determinations, the impact of unplanned share repurchases attributable to corporate transactions (including acquisitions or dispositions) shall be disregarded.

EXAMPLE

The example below assumes:

- 90,000 Total Target Shares are awarded, resulting in an RSU Award of:
 - 45,000 Target rTSR Shares,
 - 45,000 Target EPS Shares, and
 - 180,000 Maximum Shares

Outcome: Maximum rTSR Performance

rTSR Percentile Rank: 85th percentile

rTSR Award Earned: 85th percentile is above the 75th percentile (Maximum Performance Level) so maximum earnings of 200% of the Target rTSR Shares, or 90,000 Vested Shares is achieved

Outcome: Below Maximum / Above Target EPS Growth Performance

EPS Growth Percentage: 11%

EPS Growth Percentage: 11% is between 12% (Maximum Performance Level) and 10% (Target Performance Level), so, interpolated earnings of 150% (i.e., 1½ expressed as a percentage) of the Target EPS Shares, or 67,500 Vested Shares is achieved

Total Vested Shares: 157,500 Vested Shares (i.e., 90,000 rTSR Shares Earned + 67,500 EPS Shares Earned)

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 in the “PRIMARY INFORMATION” section of this Agreement (the “*Shares*”).

(a) *Vesting.* The RSU Award shall vest, and the applicable number of Shares shall be issuable to the Participant, according to the Performance Criteria set forth above. If application of the Performance Criteria results in the vesting of a fractional Share, such Share shall be rounded down to the nearest whole Share (it being understood that fractional Shares resulting from application of separate Performance Criteria hereunder shall first be added together, and then rounded down, if applicable, to the nearest whole Share). Shares that vest and are issuable pursuant to the Performance 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 or the date when all applicable 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 following the end of the Performance 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 during which the 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 six (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 as soon as administratively practicable following his or her Termination of Service due to death or Disability, but in no event later than [DATE] (such date being deemed as the Release Date for purposes of this Section 1.1(c)), pursuant to the Performance Criteria based upon (x) actual TSR and EPS growth performance for any completed rTSR Measurement Period and EPS Measurement Period during the Performance Period, (y) target TSR and target EPS growth performance for any unfinished rTSR Measurement Period and EPS Measurement Period during the Performance Period and (z) pro-rated for the fraction of the Performance Period during which the Participant was employed prior to death or Disability.

For purposes of this Agreement, “*Disability*” shall mean the 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 at least six (6) consecutive months or (ii) such shorter period as the CEO (or the Committee in the case of 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, the Committee or the CEO’s direct reports, as applicable.

(d) *Allotment and Issuance of Vested Shares.* The Company shall allot and issue the Vested Shares as soon as administratively practicable after such number of Shares are determined to have vested (as Vested Shares) pursuant to the Performance Criteria, and as further set forth above in the “PERFORMANCE MEASUREMENT, VESTING AND RELEASE – Vesting / Release” section of this Agreement or as provided above in Sections 1.1(b) and (c), as applicable. 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 Performance 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 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 the 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 after such number of Shares are determined to have vested (as Vested Shares) pursuant to the Performance Criteria, and as further set forth above in the "PERFORMANCE MEASUREMENT, VESTING AND RELEASE – Vesting / Release" section of this Agreement or as provided above in Sections 1.1(b) and (c), as applicable; *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 the relevant date on which such Shares become Vested Shares.

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 (i) 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 (ii) 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 (i) 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 (ii) 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 (iii) 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. If the obligation for the Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Vested Shares, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of the Participant's participation in the Plan.

(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.** The Participant hereby agrees that he or she 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 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) if the Participant resides 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), and subject to Sections 1.1(b) and (c), as applicable, 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, it being understood that 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.
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- (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. The Participant further acknowledges that the services rendered to the Company by the Participant have been or will be of a special and unusual character which have a unique value to the Company and that the 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) The 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 the 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 the Participant developed in the performance of the 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 the 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 the Participant has had or will have access. The 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. The 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.
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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 the Participant's employment with the Company, the Participant will not, either on the 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 the Participant's separation from employment with the Company for any reason whatsoever, the Participant will not, either on the 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.** The Participant agrees that for a period of one year after the Participant's separation from employment with the Company for any reason whatsoever, whether using the Company's trade secrets or not, the 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 the Participant's employment with the Company, the Participant will not solicit, induce, or attempt to induce any past or current customer of the Company (i) to cease doing business, in whole or in part, with the Company; or (ii) 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 the Participant's separation from employment with the Company for any reason whatsoever, the Participant will not, either on the 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 (i) to cease doing business, in whole or in part, with the Company; or (ii) 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 the Participant's employment with the Company terminates for any reason, regardless of whether the termination is initiated by the Participant or the Company, the Participant agrees that the 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 (5%) 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. Exhibits. 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. For the avoidance of doubt, each of Exhibit A and Exhibit B 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 April 2020. 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.
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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 BRL560,000 as of April 2020). 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 (*Erklæring 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 (*Erklæring 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

The RSU Award will be subject to tax pursuant to the non-trustee route under section 102 of the Israeli Income Tax Ordinance [New Version] 1961 and as such will be subject to ordinary income tax upon sale of the Shares. The Company and its Israeli subsidiary will implement administrative arrangements in order to ensure the withholding of tax upon sale of the Shares including the possible engagement of a third party service provider who will hold the shares on the Participant's behalf until sale. Tax withholding will apply upon sale irrespective of the Participant's continued engagement with the Company or any subsidiary.

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 610,500,000 as of April 2020) 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 2 Changi South Lane, Singapore 486123, 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 2 Changi South Lane, Singapore 486123 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 150,000,000 as of April 2020) 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 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

**EXHIBIT B TO THE
RESTRICTED SHARE UNIT AWARD
rTSR PEER COMPANIES**

Acer	Johnson Controls Intl.
AECOM	Mas Tec
AGCO	MDU Resources Group
APi Group Corp	Oshkosh
Arrow Electronics	PACCAR
ASUSTeK Computer	Parker-Hannifin
AU Optronics	Pegatron
Avnet	Qisda
Beacon Roofing Supply	Quanta Computer
Bombardier	Quanta Services
Brookfield Business Corp	Resideo Technologies
CDW	Rush Enterprises
CommScope Holding	Sanmina
Compal Electronics	Seagate Technology
Core & Main	Super Micro Computer
Corning	Synnex Technology Intl.
Cummins	TD SYNNEX
Dell Technologies	Textron
EMCOR Group	UFP Industries
Far Eastern New Century	Univar Solutions
Finning International	Veritiv Corp
Fluor	Watsco
Hewlett Packard Ent.	WESCO
HP Inc.	Western Digital
Huntington Ingalls Indus.	Wistron
Icahn Enterprises	Wiwynn
Innolux	WPG Holdings
Insight Enterprises	WSP Global
Inventec	WT Microelectronics
Jabil	Xerox Holdings

LETTER IN LIEU OF CONSENT OF DELOITTE & TOUCHE LLP

July 28, 2023

To the Board of Directors and Shareholders of Flex Ltd.
2 Changi South Lane
Singapore 486123

We are aware that our report dated July 28, 2023, on our review of the interim financial information of Flex Ltd. and its subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, is incorporated by reference in Registration Statement Nos. 333-248470, 333-220002, and 333-207325 on Form S-8 and Registration Statement No. 333-256716 on Form S-3ASR.

/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: July 28, 2023

/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, Paul R. Lundstrom, 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: July 28, 2023

/s/ Paul R. Lundstrom

Paul R. Lundstrom

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 Paul R. Lundstrom, 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 30, 2023, 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: July 28, 2023

/s/ Revathi Advaiti

Revathi Advaiti
Chief Executive Officer
(Principal Executive Officer)

Date: July 28, 2023

/s/ Paul R. Lundstrom

Paul R. Lundstrom
Chief Financial Officer
(Principal Financial Officer)