2017 Annual Report

Igniting Intelligence

flex®

To Our Shareholders:

We are in a new era, a structurally different era. Our world has been transformed by technological innovation and is becoming more connected every day by the *Intelligence of Things*™. In this new world of connectivity and intelligence, cloud technologies and mobility are creating opportunity and sparking innovation, transforming entire industries overnight, while eliminating the barriers that once divided them. Flex is perfectly positioned in this new era providing *Sketch-to-Scale*™ solutions for customers that are now faced with the need to rapidly develop connected, intelligent products that no longer resemble their industries' traditional offerings. We help our customers thrive in this new environment by igniting intelligence and optimizing collective innovation, providing core technology building blocks for design and engineering, identifying and leveraging core technologies across key industries, and developing and commercializing bold, innovative ideas into successful products.

Last year we successfully demonstrated the value of our *Sketch-to-Scale* solutions across multiple industries, both electronics and non-electronics focused. When we dropped the "tronics" from our name back in 2015, we did so with a purpose. Gone were the days of partnering exclusively with companies in the electronics supply chain. With strategic insight and smart investments, we have solidified our Platform's value and broadened its appeal, to the point where our skills, capabilities, and expertise are now positioned to partner with – and provide value to the world's leading supply chains, both within and outside of the electronics industry.

We have done something that is very difficult to do; we have changed the conversation with our customers, from procurement-focused to strategic. Through our *Sketch-to-Scale* strategy and initiatives we have evolved our model and elevated our role with customers to become more focused on strategic goals such as making products that are smart and connected, creating new revenue streams, and reinventing global supply chains. This has helped us unlock opportunities across new industries and open up additional total available market (TAM).

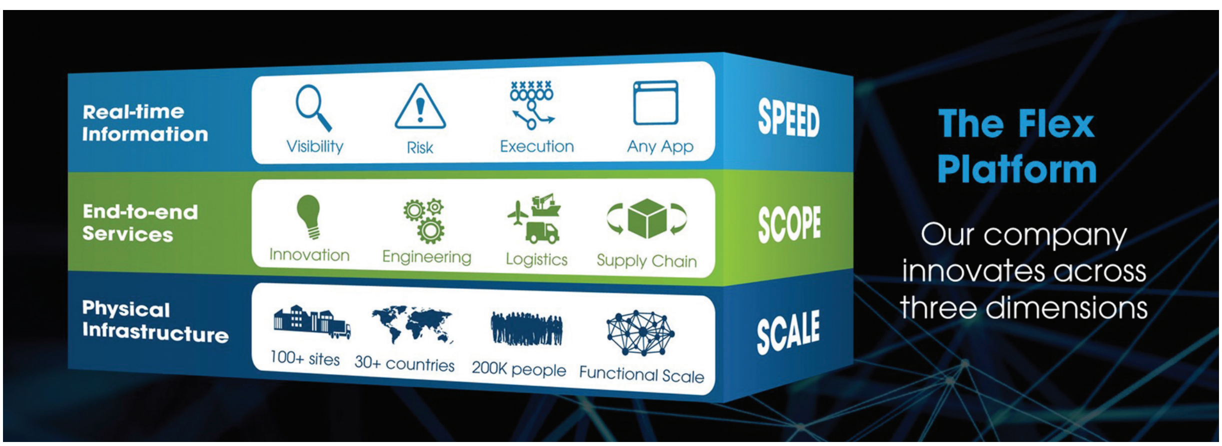
Products Are Transforming into Intelligent Systems

Products in every industry are transforming from simple products into intelligent systems. For instance, prior to the creation of the smart phone, all mobile phones were simply "feature phones" providing basic voice and text-based communication. Then the smart phone was introduced, and it completely transformed the mobile phone industry. The smart phone was more than a product, it was an intelligent system – and 'ordinary' mobile phones were suddenly no longer sufficient. The same thing is currently happening in the automobile industry. Major auto manufacturers are racing to transform their offerings from products into intelligent systems. Autonomous driving and connected cars are imminent, and they will forever transform the automotive industry. Ultimately, we will see all industries transformed, as their offerings evolve from simple products into intelligent systems. Flex will help to facilitate this transformation by providing the cross-industry capabilities, and smart and connected features that will enable them to become intelligent systems.

Flex Has Unique Scale and Visibility Across 12 Industries

Few companies can claim to operate at scale across five industries, and even fewer across 10 industries. Flex operates at scale across 12 industries in which we have a billion dollars or more of revenue. In addition, we have deep customer engagements across all 12 of these industries, from today's industry leaders to tomorrow's disrupters. We are also significantly diversified within these industries, which further strengthens our visibility into different strategies and technologies. With our ability to triangulate across geographies, industries and customers, we have the unique ability to help our customers navigate the convergence of technologies and the impact of the *Age of Intelligence*™ on their business models.

The Flex Platform – Our Company Innovates Across Three Dimensions



The Flex Platform, first unveiled in 2013, encapsulates the tools, capabilities, resources, and investment priorities that enable us to compete and win, while providing our customers with a clear competitive advantage. We have continued to invest into our Platform to further enhance our competitive strengths and attributes, as the rate of technological change increases in every one of our customers' industries.

When we innovate across three different levels, the 'real-time information' layer or what we also call the management system level, is the most important. We stay relevant and agile in a very disruptive world. Our objective is to digitize all of our systems and processes, enabling them to become mobile solutions that leverage real-time data, as well as improving collaboration to drive valuable insights. It's not about data in isolation, it's about the actionable insights that the data can provide.

Our second level demonstrates how we innovate across our end-to-end services with the objective to drive faster cycles and enable our customers to achieve faster cycle times when they develop their products. We innovate at the product and process level and have established processes that source and cultivate innovation with building blocks that have cross-industry functionality.

And the third innovation layer is at the operational level, where we have approximately 200,000 people operating in 30 countries around the world. Our use of Industry 4.0 technologies helps us to ensure we have the most efficient and reliable operations in the world.

Fiscal 2017 Results Underscore Successful Portfolio Evolution

As we reflect on this past year's performance*, we are proud of our ability to deliver on our financial commitments. Fiscal 2017 marked another year of strong financial execution as we delivered multi-year growth in adjusted earnings per share and operating margin, sustained strong free cash flow, and consistently repurchased shares. Against this backdrop, we also continued to make investments and evolve our portfolio to longer product life cycles and higher margin businesses.

Meaningful Evolution. Our distinct actions to evolve our portfolio have been successful, as we now generate over $9 billion in annual revenue from our higher margin businesses in Automotive, Medical, Industrial, and Energy. And we also achieved our second consecutive year of generating over 50% of our adjusted operating profit dollars from these businesses.

Profitable. Every year for the last 5 years, we've grown our adjusted gross and operating profit, and adjusted earnings per share. In fiscal 2017, we achieved a 16-year high of 3.4% adjusted operating margin, and we established an all-time high of $1.17 adjusted earnings per share.

Resilient. We have also built a business model that generates sustainable free cash flow year after year. Our fiscal 2017 cash flow from operations totaled over $1.1 billion and we generated $660 million in free cash flow – reflecting a free cash flow conversion of 100%.

Consistent. Our strong cash flow generation is a hallmark of Flex and provides us the flexibility to make investments necessary to support our Platform while also supporting our unwavering commitment to returning 50% or more of free cash flow to shareholders. For the year, we repurchased nearly 25 million shares for $350 million, greater than 50% of our free cash flow in fiscal 2017 and consistent with our capital allocation strategy for the past 6 years that has been driven by returning value to shareholders in the form of stock repurchase.

Investment Thesis Intact

We have consistently articulated our investment thesis for the past few years, which has been underpinned by four key elements: 1) a structural portfolio evolution towards longer product life cycles and higher margin businesses, 2) an expansion of our earnings power, 3) strong sustainable cash flow generation, and 4) consistently returning capital to shareholders. I am pleased that we have delivered on all four key elements again in fiscal 2017 and are positioned to continue to outperform going forward.

Fiscal 2018 Will Be an Important Investment Year

As we embark upon fiscal 2018, we have many opportunities to drive strong momentum, but they will all require important investments and execution. We are taking focused efforts to invest and grow our *Sketch-to-Scale*™ led design and engineering activities to elevate its penetration. Our strategic partnership with Nike is expected to scale up towards the end of fiscal 2018, and our investments into new growth areas such as digital health, autonomous driving and connected cars, smart energy, connected living, and digitizing the construction industry are all well underway. Our Platform continues to appeal to current customers and potential customers, both inside and outside of the electronics industry more than ever before.

We Remain Focused on Our 2020 Targets

Ultimately, we are driving our business towards the fiscal 2020 earnings targets we've articulated in the past. To get there, we will continue our portfolio evolution, drive further penetration of *Sketch-to-Scale* engagements and we will continue to invest intelligently and execute with precision. We remain confident in our ability to reach our goals.

As always, we appreciate your interest, support, and investment in us. With a great strategy and vision, clear objectives, and strong execution, we will drive continued improvement and create value for all our stakeholders for many years to come!

Sincerely,

Mike McNamara
Chief Executive Officer

* Adjusted gross profit, adjusted operating profit, adjusted EPS, and free cash flow are non-GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most comparable GAAP measures is available on the Summary Financials page of the Investor Relations section of our website at www.flex.com.

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

To Our Shareholders:

On August 15, 2017, we will hold our 2017 annual general meeting of our shareholders at our offices located at 6201 America Center Drive, San Jose, CA 95002, U.S.A. Our 2017 annual general meeting of shareholders will begin at 9:00 a.m., Pacific time.

The matters to be voted upon at the meeting are listed in the notice that follows this letter and are described in more detail in the accompanying proxy statement. We urge you to read the entire proxy statement carefully before voting. Part I of the accompanying proxy statement provides general information about the meeting, Part II describes the proposals to be voted upon at the 2017 annual general meeting of shareholders and related information, and Part III provides additional information, including information about our named executive officers and their compensation.

IMPORTANT NOTICE REGARDING ELECTRONIC AVAILABILITY OF PROXY STATEMENT AND ANNUAL REPORT: We have elected to provide access to our proxy materials to our shareholders by notifying them of the availability of our proxy materials on the Internet. On or about July 5, 2017, we will mail to most of our shareholders (including all of our registered shareholders) a Notice of Availability of Proxy Materials on the Internet (referred to as the Notice) containing instructions on how to access this proxy statement and our annual report and to submit their proxies via the Internet. Instructions on how to request a printed copy of our proxy materials may be found in the Notice.

You may revoke your proxy at any time prior to the time it is voted. Shareholders who are present at the meeting may revoke their proxies and vote in person or, if they prefer, may abstain from voting in person and allow their proxies to be voted.

Sincerely,

Regina

Tay Hong Chin Regina
Company Secretary
Singapore
July 5, 2017

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

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held on August 15, 2017

To Our Shareholders:

You are cordially invited to attend, and NOTICE IS HEREBY GIVEN of, the annual general meeting of shareholders of FLEX LTD. ("Flex" or the "Company"), which will be held at our offices located at 6201 America Center Drive, San Jose, CA 95002, U.S.A, at 9:00 a.m., Pacific time, on August 15, 2017, for the following purposes:

- To re-elect the following directors: Michael D. Capellas and Marc A. Onetto (*Proposal No. 1*);
- To approve the re-appointment of Deloitte & Touche LLP as our independent auditors for the 2018 fiscal year and to authorize the Board of Directors, upon the recommendation of the Audit Committee, to fix their remuneration (*Proposal No. 2*);
- To approve a general authorization for the Directors of Flex to allot and issue ordinary shares (*Proposal No. 3*);
- To hold a non-binding, advisory vote on executive compensation (*Proposal No. 4*);
- To hold a non-binding, advisory vote on the frequency of the non-binding, advisory vote on executive compensation (*Proposal No. 5*);
- To approve the adoption of the Flex Ltd. 2017 Equity Incentive Plan (*Proposal No. 6*);
- To approve a renewal of the Share Purchase Mandate permitting Flex to purchase or otherwise acquire its own issued ordinary shares (*Proposal No. 7*); and
- To approve changes in the cash compensation payable to Flex's non-employee directors (*Proposal No. 8*).

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

As Ordinary Business

1. To re-elect each of the following directors, who will retire by rotation pursuant to Article 95 of our Constitution, to the Board of Directors:
   (a) Mr. Michael D. Capellas; and
   (b) Mr. Marc A. Onetto.
2. To consider and vote upon a proposal to re-appoint Deloitte & Touche LLP as our independent auditors for the fiscal year ending March 31, 2018, and to authorize our Board of Directors, upon the recommendation of the Audit Committee of the Board of Directors, to fix their remuneration.

As Special Business

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

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

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

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

(ii) make or grant offers, agreements or options that might or would require ordinary shares in our capital to be allotted and issued, whether after the expiration of this authority or otherwise (including but not limited to the creation and issuance of warrants, debentures or other instruments convertible into ordinary shares in our capital), at any time to and/or with such persons and upon such terms and conditions and for such purposes as our Directors may in their absolute discretion deem fit, and with such rights or restrictions as our Directors may think fit to impose and as are set forth in our Constitution; and

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

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

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

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

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

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

"RESOLVED THAT, the shareholders of Flex recommend that a non-binding, advisory vote to approve the compensation of the Company's named executive officers be put to shareholders for their consideration with one of the following three frequencies:

(a) every one year;

(b) every two years; or

(c) every three years."

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

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

"RESOLVED THAT, approval be and is hereby given for:

(a) the adoption of a new equity incentive plan to be known as the "Flex Ltd. 2017 Equity Incentive Plan", which we refer to as the 2017 Plan, a summary of which is set out in the attached proxy statement and the rules of which, for the purpose of identification, have been subscribed to by the Chairman of the Meeting under which awards of our ordinary shares in our capital will be granted to selected eligible persons (details of which are set out in the attached proxy statement) which includes (but is not limited to) our employees and directors and those of our subsidiaries and affiliates, officers, members of our Board of Directors (including both employee and non-employee Directors), and consultants of the Company and our subsidiaries and affiliates; and

(b) our Directors to:

(i) establish and administer the 2017 Plan;

(ii) modify and/or alter the 2017 Plan from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the 2017 Plan, and to do all such acts and to enter into all such transactions, agreements and arrangements as may be necessary or expedient in order to give full effect to the 2017 Plan; and

(iii) offer and/or grant options, restricted share units, share appreciation rights, performance shares, performance share units and any other share-based awards under the 2017 Plan, all in accordance with the provisions of the 2017 Plan and to allot and issue from time to time such number of ordinary shares in our capital as may be required to be allotted and issued pursuant to the (1) exercise of options and/or share appreciation rights; and (2) vesting of restricted share units, performance shares, performance share units and/or such other share-based awards under the 2017 Plan, all pursuant to the 2017 Plan."

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

"RESOLVED THAT:

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

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

(A) market purchases on the NASDAQ Global Select Market or any other stock exchange on which our ordinary shares may for the time being be listed and quoted; and/or

(B) off-market purchases (if effected other than on the NASDAQ Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted) in accordance with any equal access scheme(s) as may be determined or formulated by our Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Singapore Companies Act, Cap. 50, and otherwise in accordance with all other laws and regulations and rules of the NASDAQ Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted as may be applicable, be and is hereby authorized and approved generally and unconditionally;

(b) unless varied or revoked by our shareholders in a general meeting, the authority conferred on our Directors pursuant to the mandate contained in paragraph (a) above may be exercised by our Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:

(i) the date on which our next annual general meeting is held; or

(ii) the date by which our next annual general meeting is required by law to be held;

(c) the maximum purchase price (excluding brokerage commission, applicable goods and services tax and other related expenses) which may be paid for an ordinary share purchased or acquired by us pursuant to the mandate contained in paragraph (a) above, shall not exceed:

(i) in the case of a market purchase of an ordinary share, the highest independent bid or the last independent transaction price, whichever is higher, of our ordinary shares quoted or reported on the NASDAQ Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted, or shall not exceed any volume weighted average price, or other price determined under any pricing mechanism, permitted under SEC Rule 10b-18, at the time the purchase is effected; and

(ii) in the case of an off-market purchase pursuant to an equal access scheme, 150% of the Prior Day Close Price, which means the closing price of our ordinary shares as quoted on the NASDAQ Global Select Market or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted, on the day immediately preceding the date on which we announce our intention to make an offer for the purchase or acquisition of our ordinary shares from holders of our ordinary shares, stating therein the purchase price (which shall not be more than the maximum purchase price calculated on the foregoing basis) for each ordinary share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

(d) our Directors and/or any of them be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorized by this resolution."

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

"RESOLVED THAT, approval be and is hereby given for Flex to:

(a) increase from $85,000 to $90,000 the annual cash compensation payable to each of Flex's non-employee directors for services rendered as a director;

(b) increase from $35,000 to $40,000 the additional annual cash compensation payable to the Chairman of the Audit Committee for services rendered as Chairman of the Audit Committee;

(c) increase from $35,000 to $40,000 the additional annual cash compensation payable to the Chairman of the Compensation Committee for services rendered as Chairman of the Compensation Committee; and

(d) increase from $17,000 to $15,000 the additional annual cash compensation payable to the Chairman of the Nominating and Corporate Governance Committee for services rendered as Chairman of the Nominating and Corporate Governance Committee."

9. To transact any other business which may properly be put before the annual general meeting.

Notes

Singapore Financial Statements. At the 2017 annual general meeting, our shareholders will have the opportunity to discuss and ask any questions that they may have regarding our Singapore audited financial statements for the fiscal year ended March 31, 2017, together with the directors' statement and auditors' report thereon, in compliance with Singapore law. Shareholder approval of our audited financial statements is not being sought by this proxy statement and will not be sought at the 2017 annual general meeting.

Eligibility to Vote at Annual General Meeting; Receipt of Notice. The Board of Directors has fixed the close of business on June 16, 2017 as the record date for determining those shareholders of the Company who will be entitled to receive copies of this notice and accompanying proxy statement. However, all shareholders of record on August 15, 2017, the date of the 2017 annual general meeting, will be entitled to vote at the 2017 annual general meeting.

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

Proxies. A shareholder entitled to attend and vote at the 2017 annual general meeting is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not also be a shareholder. **Whether or not you plan to attend the meeting, we encourage you to vote promptly. You may vote your shares through one of the methods described in the enclosed proxy statement. A proxy card submitted by mail must be received by Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717 not less than 48 hours before the time appointed for holding the 2017 annual general meeting. Please review the instructions on the proxy card and Notice of Availability of Proxy Materials regarding the submission of proxies via the Internet.** You may revoke your proxy at any time prior to the time it is voted. Shareholders who are present at the meeting may revoke their proxies and vote in person or, if they prefer, may abstain from voting in person and allow their proxies to be voted.

Availability of Proxy Materials on the Internet. We are pleased to take advantage of Securities and Exchange Commission rules that allow issuers to furnish proxy materials to some or all of their shareholders on the Internet. Our Constitution was amended last year to align with the provisions under the Singapore Companies Act, Cap. 50, which allow and facilitate the posting of proxy materials on the internet at our designated website. We believe these rules will allow us to provide our shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our annual general meeting of shareholders. On or about July 5, 2017, we will mail to most of our shareholders (including all of our registered shareholders) a Notice of Availability of Proxy Materials on the Internet containing instructions on how to access this proxy statement and our annual report and to submit their proxies via the Internet.

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

Personal Data Privacy. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 2017 annual general meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by us (or our agents or service providers) for the purpose of the processing, administration and analysis by us (or our agents or service providers) of proxies and representatives appointed for the 2017 annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 2017 annual general meeting (including any adjournment thereof), and in order for us (or our agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to us (or our agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by us (or our agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify us in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

By order of the Board of Directors,

Tay Hong Chin Regina
Company Secretary
Singapore
July 5, 2017

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

Important Notice Regarding the Availability of Proxy Materials for the 2017 Annual General Meeting of Shareholders to Be Held on August 15, 2017. The accompanying proxy statement and our annual report to shareholders are available on our website at *https://investors.flex.com/financials*.

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ELECTRONIC DELIVERY OF OUR SHAREHOLDER COMMUNICATIONS

We have elected to provide access to our proxy materials to our shareholders by notifying them of the availability of our proxy materials on the Internet. On or about July 5, 2017, we will mail to most of our shareholders (including all of our registered shareholders) a Notice of Availability of Proxy Materials on the Internet (referred to as the Notice) containing instructions on how to access this proxy statement and our annual report and to submit their proxies via the Internet. If you hold your shares through a broker, bank or other nominee, rather than directly in your own name, your intermediary will either forward to you printed copies of the proxy materials or will provide you with instructions on how you can access the proxy materials electronically. For beneficial holders and registered shareholders who receive a Notice, instructions on how to request a printed copy of our proxy materials may be found in the Notice.

FLEX LTD.

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding the Company's 2017 fiscal year performance, please review the Company's 2017 Annual Report.

2017 Annual General Meeting of Shareholders

Time and Date: 9:00 a.m. Pacific time, August 15, 2017

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

Record Date: June 16, 2017

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

Voting Matters at the Annual General Meeting

Proposal Number	Matter	Board Vote Recommendation	Page Reference
Proposal No. 1	Re-election of the following directors: Michael D. Capellas and Marc A. Onetto	FOR each Director Nominee	5
Proposal No. 2	Re-appointment of Deloitte & Touche LLP as our independent auditors for the fiscal year ending March 31, 2018	FOR	21
Proposal No. 3	General authorization to allot and issue ordinary shares	FOR	25
Proposal No. 4	Advisory vote on executive compensation	FOR	27
Proposal No. 5	Advisory vote on the frequency of the non-binding, advisory vote on executive compensation	ONE YEAR	30
Proposal No. 6	Adoption of the Flex Ltd. 2017 Equity Incentive Plan	FOR	31
Proposal No. 7	Authorization to repurchase ordinary shares	FOR	43
Proposal No. 8	Approval of changes in the cash compensation payable to our non-employee directors	FOR	48

How to Cast Your Vote

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

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

Vote by Proxy:	
Submit Your Proxy via the Internet *at www.proxyvote.com* Have the information that is printed in the box marked by the arrow (located on the Notice) available and follow the instructions. If you are a beneficial holder who owns your shares through a bank, broker or other nominee, the availability of Internet submission of proxies may depend on the voting process of the organization that holds your shares.	**Submit Proxy by Mail** by returning the signed proxy card (or, if you do not have a proxy card, by requesting a paper copy of the materials).

Board Nominees (page 5)

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

Name	Director Since	Independent (Yes/No)	Committee Memberships	Other Public Company Boards
Michael D. Capellas . . .	2014	Yes	C, N	**Cisco Systems, Inc. and MuleSoft, Inc.**
Marc A. Onetto	2014	Yes	A	—

A = Audit Committee

C = Compensation Committee

N = Nominating and Corporate Governance Committee

Fiscal Year 2017 Highlights (page 54)

Business Overview

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

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

Consumer Technologies Group (CTG)	• Consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion and mobile devices; • Various supply chain solutions for notebook personal computers (PC), tablets, and printers; and • Expanding our business relationships to include supply chain optimization for non-electronics products such as footwear and clothing.
Industrial and Emerging Industries (IEI)	• Energy and metering, semiconductor tools and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks and lighting.
High Reliability Solutions (HRS)	• Medical business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; • Automotive business, including vehicle electrification, connectivity, autonomous vehicles and clean technologies; and • Defense and aerospace business, focused on commercial aviation, defense and military.

In fiscal year 2017, we continued our multi-year reorganization and rebalancing of our business portfolio in order to align with our customers' needs and requirements as part of an effort to optimize operating results with a focus on improving profit margins and generating sustainable free cash flow and strong returns on invested capital. We continued to shift our long-term portfolio towards a mix of businesses which possess longer product life cycles and higher margins, such as our IEI and HRS businesses. We also continued to move away from customer solutions that have more short-term volatility and lower margins. This business transformation positions us to meet specific customers' supply chain solutions needs across all of the markets we serve, yield margin improvement, and earn a return on our invested capital above the weighted-average cost of that capital. We are also improving our ability to take advantage of the long-term, future growth prospects for outsourcing of advanced manufacturing capabilities, design and engineering services, and after-market services. Another aspect of our business transformation strategy has been to make targeted investments in technologies and businesses that are complementary to our core business but that represent high growth opportunities with attractive profit margins. For example, in fiscal year 2017, we made targeted investments in our Flex Innovation Labs, Lab IX portfolio companies, our strategic partnership with Nike, and Elementum business that we believe will yield strong long-term results for Flex. The shift away from certain parts of our business limited our short-term top-line revenue growth and created negative year-over-year comparisons on some financial metrics such as revenue, though it places us in a better position to capitalize on long-term revenue growth and enhanced returns on investment and cash flow.

Performance Highlights For Fiscal Year 2017

We delivered strong fiscal year 2017 operating results and continued to execute our business transformation and deliver on our commitment to return value to shareholders. We generated total shareholder returns (TSR) of nearly 40%, which put us in the top 15% of all companies in the S&P 500. Our 3-year TSR was 82%, which was in the top decile of all firms in the S&P 500. We achieved these results in a global economic environment that continued to face a high degree of uncertainty due to macro-economic factors such as ongoing growth challenges in Europe, concerns of a slowdown in Chinese growth, and political and interest rate uncertainty. Internally, we continued on our business transformation journey during fiscal year 2017 through which we are reorganizing and rebalancing our business portfolio. As a result of an improved cost structure and our strategic business transformation, we delivered solid operating results in fiscal year 2017 and executed on key strategic priorities, including growing our capabilities such as the Flex Innovation Labs, Lab IX, and *Sketch-to-Scale*™, and our strategic partnerships with Nike and Elementum to expand our innovative offerings. Areas where we saw year-over-year declines mainly represent intentional strategic shifts as a result of our business transformation activities. Highlights[1] include:

- We reported net sales of $23.9 billion, a decrease of 2% compared to the prior year.
- Grew adjusted operating profit to $815.2 million, a 3% increase over fiscal year 2016.
- Delivered Adjusted Earnings Per Share (EPS) of $1.17 per share, a 3% increase over the prior year.
- Adjusted gross profit totaled $1.7 billion, an increase of 4% compared to the prior year.
- Adjusted gross margin increased to 7.0% of net sales in fiscal year 2017, compared with 6.6% of net sales in fiscal year 2016.
- Generated operating cash flows of $1.1 billion during the year. The strong cash flow generated from our operations enabled us to return value to shareholders with the repurchase of $349.5 million of our shares paid in fiscal year 2017.
- Increased free cash flow to $660.4 million which was up 3% over the prior year and within our communicated range of $600 to $700 million annually.
- We had some less favorable year-over-year financial result comparisons due to our ongoing business transformation, though these actions are positioning the Company for enhanced future results.

In addition to the above results, our stock price increased by nearly 40% from $12.06 at the end of fiscal year 2016 to $16.80 at the end of fiscal year 2017. This translates into a 1-year TSR of nearly 40% and Flex's 3-year TSR is 82%, which has generated significant value for shareholders and represents results that are in the upper 15% of S&P 500 firms over the same time periods. We believe that this above market performance is the result of having articulated a value-creating strategy and delivering against that strategy.

Executive Compensation Highlights (page 55)

Pay and Performance Alignment For Fiscal Year 2017

As noted above, we delivered strong operating results and shareholder returns during fiscal year 2017. However, given Flex's aggressive operating result goal-setting, our final financial performance was somewhat below our targeted levels. Our compensation philosophy is to reward above-target performance when achieved, and pay zero or below target when favorable results are not delivered. In line with our fiscal year 2017 performance, Flex's NEOs earned short-term incentive awards that recognize our strong financial performance, as well as the fact that we did not fully achieve our targeted performance goals. Highlights include the following:

- Maintained the CEO's base salary with no increase, positioned approximately at the peer median.
- Provided modest base salary increases of less than 4.0% to other NEOs, though overall salary positioning continued to be approximately at our peer group median.
- The CEO and most other NEOs earned a below-target short-term incentive payout of 78.8% of target due to our aggressive internal performance goals.
- Paid out the long-term performance share unit cycle during fiscal year 2017 at 193% of target in May 2016 based upon TSR results that were above target and exceeded market levels over the performance cycle from fiscal year 2014 through fiscal year 2017. The Flex three year free cash flow (FCF) performance share unit cycle paid out at 94.6%, reflecting Flex's more aggressive operating targets.

(1) Adjusted operating profit, adjusted earnings per share, adjusted gross profit, adjusted gross margin and free cash flow are non-GAAP financial measures, and we are including our 2017 results for these measures to show an aspect of our performance. Annex B to this proxy statement contains reconciliations of these measures to the most directly comparable GAAP financial measures.

- Funded the NEOs' deferred compensation plans with a value that averaged 26.4% of our NEOs' respective base salaries based on fiscal year 2017 results.
- Continued to use fiscal year 2017 long-term incentive grants that balance relative TSR performance share units (PSUs) with a long-term incentive plan (LTIP) that measures cumulative FCF over a multi-year period (from fiscal year 2017 through fiscal year 2019).
- Granted modest Elementum profits interests unit value awards to certain executives who continue to make significant contributions to our Elementum business.

FLEX LTD.

PROXY STATEMENT

FOR THE 2017 ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Be Held on August 15, 2017
9:00 a.m. (Pacific time)

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

PART I—INFORMATION ABOUT THE MEETING

We are furnishing this proxy statement in connection with the solicitation by our Board of Directors of proxies to be voted at the 2017 annual general meeting of our shareholders, or at any adjournments thereof, for the purposes set forth in the notice of annual general meeting that accompanies this proxy statement. Unless the context requires otherwise, references in this proxy statement to “Flex,” “the Company,” “we,” “us,” “our” and similar terms mean Flex Ltd. and its subsidiaries.

Proxy Mailing. The Notice of Internet Availability of Proxy Materials (which we refer to as the Notice) or the proxy materials and the enclosed proxy card were first mailed on or about July 5, 2017 to shareholders of record as of June 16, 2017.

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

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

VOTING RIGHTS AND SOLICITATION OF PROXIES

The close of business on June 16, 2017 is the record date for shareholders entitled to notice of our 2017 annual general meeting. All of the ordinary shares issued and outstanding on August 15, 2017, the date of the annual general meeting, are entitled to be voted at the annual general meeting, and shareholders of record on August 15, 2017 and entitled to vote at such meeting will, on a poll, have one vote for each ordinary share so held on the matters to be voted upon. As of June 16, 2017, we had 531,607,660 ordinary shares issued and outstanding.

Proxies. Ordinary shares represented by proxies in the form accompanying this proxy statement that are properly executed and returned to us will be voted at the 2017 annual general meeting in accordance with our shareholders' instructions.

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

Quorum and Required Vote. Representation at the 2017 annual general meeting of at least 33-1/3% of all of our issued and outstanding ordinary shares is required to constitute a quorum to transact business at the annual general meeting.

- Consistent with the Company's historical practice, the chair of the 2017 annual general meeting will demand a poll in order to enable the ordinary shares represented in person or by proxy to be counted for voting purposes.
- The affirmative vote by a simple majority of the votes cast is required at the 2017 annual general meeting, to re-elect the directors nominated pursuant to Proposal No. 1, to re-appoint Deloitte & Touche LLP as our independent auditors pursuant to Proposal No. 2, to approve the ordinary resolution to allot and issue ordinary shares contained in Proposal No. 3, to approve the non-binding, advisory resolution regarding executive compensation contained in Proposal No. 4, to approve the adoption of the Flex Ltd. 2017 Equity Incentive Plan contained in Proposal No. 6, to approve the ordinary resolution to renew the Share Purchase Mandate contained in Proposal No. 7 and to approve the changes in the cash compensation payable to our non-employee directors contained in Proposal No. 8. For Proposal No. 5, which is a non-binding, advisory vote on the frequency of the advisory vote on executive compensation, the choice that receives the highest number of non-binding affirmative votes will be deemed the choice of the shareholders.

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

Abstentions and Broker Non-Votes. Abstentions and "broker non-votes" are considered present and entitled to vote at the 2017 annual general meeting for purposes of determining a quorum. A "broker non-vote" occurs when a broker, a bank or other nominee who holds shares for a beneficial owner does not vote on a particular proposal because the broker, bank or other nominee has not received directions from the beneficial owner and does not have discretionary power to vote on that particular proposal. If a broker, bank or other nominee indicates on the proxy card that it does not have discretionary authority to vote as to a particular matter, those shares, along with any abstentions, will not be counted in the tabulation of the votes cast on the proposal being presented to shareholders.

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

If you are a registered shareholder, in the absence of contrary instructions, shares represented by proxies submitted by you will be voted at the 2017 annual general meeting: “FOR” each of the Board nominees in Proposal No. 1; “FOR” Proposal Nos. 2 through 4 and Nos. 6 through 8 and for “ONE YEAR” for Proposal No. 5 regarding the advisory vote on the frequency of the advisory vote on executive compensation. Our management does not know of any matters to be presented at the 2017 annual general meeting other than those set forth in this proxy statement and in the notice accompanying this proxy statement. If other matters should properly be put before the meeting, the proxy holders will vote on such matters in accordance with their best judgment.

Any shareholder of record has the right to revoke his or her proxy at any time prior to voting at the 2017 annual general meeting by:

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

If you are a beneficial holder who holds your ordinary shares through a broker, a bank or other nominee and you wish to change or revoke your voting instructions, you will need to contact the broker, the bank or other nominee who holds your shares and follow their instructions. If you are a beneficial holder and not the shareholder of record, you may not vote your shares in person at the 2017 annual general meeting unless you obtain a legal proxy from the record holder giving you the right to vote the shares.

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

PART II—PROPOSALS TO BE CONSIDERED AT THE 2017 ANNUAL GENERAL MEETING OF SHAREHOLDERS

PROPOSAL NO. 1: RE-ELECTION OF DIRECTORS

Article 94 of our Constitution requires that at each annual general meeting one-third of the directors (or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the directors) are required to retire from office. The directors required to retire in each year are those who have been in office the longest since their last re-election or appointment. As between persons who became or were last re-elected directors on the same day, those required to retire are (unless they otherwise agree among themselves) determined by lot. Under Article 90 of our Constitution, any director holding office as a Chief Executive Officer shall not be subject to retirement by rotation, unless the Board of Directors determines otherwise, or be taken into account in determining the number of directors required to retire by rotation. As a result, Mr. McNamara, as our Chief Executive Officer and also being one of our directors, is not subject to retirement by rotation or taken into account in determining the number of directors required to retire by rotation. Under Article 100 of our Constitution, any director appointed by the Board to fill a vacancy or as an additional director shall not be taken into account in determining the number of directors required to retire by rotation. No directors were appointed as additional directors or appointed to fill a vacancy since our 2016 annual general meeting.

Retiring directors are eligible for re-election. Messrs. Michael D. Capellas and Marc A. Onetto are the members of our Board of Directors who will retire by rotation at our 2017 annual general meeting. Messrs. Capellas and Onetto are each eligible for re-election and have been nominated to stand for re-election at the 2017 annual general meeting. If either nominee fails to receive the affirmative vote of a majority of the shares present and voting on the resolution to approve his re-election (that is, if the number of shares voted “FOR” the director nominee does not exceed the number of votes cast “AGAINST” that nominee), he will not be re-elected to the Board and the number of incumbent Directors comprising the Board of Directors will be reduced accordingly. Abstentions, if any, will have no effect.

The proxy holders intend to vote all proxies received by them in the accompanying form of proxy card for the nominees for directors listed below under “Nominees to our Board of Directors.” In the event that any nominee is unable or declines to serve as a director at the time of the 2017 annual general meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors of the Company, in accordance with Article 99 of our Constitution, to fill the vacancy.

As of the date of this proxy statement, our Board of Directors is not aware of any nominee who is unable or will decline to serve as a director.

Qualifications of Directors and Nominees

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

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

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

Nominees to our Board of Directors

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

Principal, Capellas Strategic Partners

Director Since: 2014

Age: 62

Board Committees: Compensation Committee

Nominating & Corporate Governance Committee (Chair)

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

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

Marc A. Onetto

Principal, Leadership from the Mind and the Heart LLC

Director Since: 2014

Age: 66

Board Committees:
Audit Committee

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

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

Directors Not Standing for Re-election

The following are the biographical details for our directors not standing for re-election. On June 29, 2017, Mr. Raymond Bingham resigned from his position as director (including his positions as Chairman of the Board and Chairman of the Nominating and Corporate Governance Committee).

Michael M. McNamara

CEO, Flex Ltd.

Director Since: 2005

Age: 60

Board Committees:
None

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

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

Daniel H. Schulman

President and CEO, PayPal Holdings, Inc.

Director Since: 2009

Age: 59

Board Committees:
Compensation Committee (Chair)

Nominating & Corporate Governance Committee

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

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

Willy C. Shih, Ph.D.

Professor of Management Practice, Harvard Business School

Director Since: 2008

Age: 66

Board Committees:
Compensation Committee

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

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

Lay Koon Tan

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

Director Since: 2012

Age: 58

Board Committees:
Audit Committee

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

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

William D. Watkins

Former Chief Executive Officer of Imergy Power Systems, Inc.

Director Since: 2009

Age: 64

Board Committees:
Audit Committee

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

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

Lawrence A. Zimmerman
Former Vice Chairman and CFO, Xerox Corporation

Director Since: 2012

Age: 74

Board Committees:
Audit Committee (Chair)

Nominating & Corporate Governance Committee

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

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

The Board recommends a vote "FOR" the re-election of each of Messrs. Capellas and Onetto to our Board of Directors.

CORPORATE GOVERNANCE

Code of Business Conduct and Ethics

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

Shareholder Communications with our Board of Directors

Our shareholders may communicate with our Board of Directors by sending an e-mail to Board@flextronics.com. All e-mails received will be sent to the Chairman of the Board and our Chief Financial Officer and/or Senior Vice President, Finance. The e-mail correspondence is regularly reviewed and summaries are provided to the full Board.

Board of Directors

Our Constitution gives our Board of Directors general powers to manage our business. The Board oversees and provides policy guidance on our strategic and business planning processes, oversees the conduct of our business by senior management and is principally responsible for the succession planning for our key executives, including our Chief Executive Officer.

Our Board of Directors held a total of eight meetings during fiscal year 2017. During the period for which each current director was a director or a committee member, each director attended at least 75% of the aggregate of the total number of meetings of our Board in fiscal year 2017 together with the total number of meetings held by all committees of our Board on which he served. During fiscal year 2017, our non-employee directors met at regularly scheduled executive sessions without management participation.

Our Board has adopted a policy that encourages each director to attend the annual general meeting, but attendance is not required. All of our directors attended the Company’s 2016 annual general meeting.

Director Independence

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

Board Leadership Structure and Role in Risk Oversight

Our Board of Directors currently consists of eight directors, each of whom, other than Mr. McNamara, is independent under the Company's Director Independence Guidelines and the applicable rules of Nasdaq. Mr. McNamara has served as our Chief Executive Officer, or CEO, since January 1, 2006, and as a member of our Board of Directors since October 2005. The Board has separated the roles of Chairman and CEO since 2003. Mr. Bingham served as Chairman of the Board from 2008 until his resignation on June 29, 2017. The Board appointed Mr. Capellas, an independent director, as Chairman of the Board, effective upon Mr. Bingham's resignation on June 29, 2017.

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

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

Board Committees

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

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

● = Committee Member

C = Committee Chair

Audit Committee

The Audit Committee of the Board of Directors is currently composed of Messrs. Marc A. Onetto, Lay Koon Tan, William D. Watkins and Lawrence A. Zimmerman, each of whom the Board has determined to be independent and to meet the financial experience requirements under both the rules of the SEC and the listing standards of Nasdaq. The Board has also determined that each of Messrs. Tan, Watkins and Zimmerman is an "audit committee financial expert" within the meaning of the rules of the SEC and is "financially sophisticated" within the meaning of the rules of Nasdaq. The Audit Committee held eight meetings during fiscal year 2017 and regularly meets in executive sessions without management present. The committee's principal functions are to:

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

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

Compensation Committee

Responsibilities and Meetings

The Compensation Committee of our Board of Directors is responsible for reviewing and approving the goals and objectives relating to, and recommending to our Board the compensation of, our Chief Executive Officer and all other executive officers. The committee also oversees management's decisions concerning the performance and compensation of other officers, administers the Company's equity compensation plans and regularly evaluates the effectiveness of our overall executive compensation program. The Compensation Committee is currently composed of Messrs. Capellas and Schulman and Dr. Shih, each of whom our Board has determined to be an independent director under the applicable listing standards of Nasdaq. The committee held five meetings during fiscal year 2017 and regularly meets in executive sessions without management present. The specific powers and responsibilities of the Compensation Committee are set forth in more detail in the Compensation Committee Charter, which is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com.*

Delegation of Authority

When appropriate, our Compensation Committee may form, and delegate authority to, subcommittees. In addition, in accordance with the Company's equity compensation plans, the Compensation Committee's charter allows the committee to delegate to our Chief Executive Officer its authority to grant share options to employees of the Company who are not directors or executive officers.

Compensation Processes and Procedures

The Compensation Committee evaluates our compensation programs and makes recommendations to our Board regarding compensation to be paid or awarded to our executive officers. As part of its process, the Compensation Committee meets with our Chief Executive Officer, Chief Financial Officer, and members of our human resources department to obtain recommendations with respect to the structure of our compensation programs, as well as an assessment of the performance of individual executives and recommendations on compensation for individual executives. In addition, the Compensation Committee has the authority to retain and terminate any third-party compensation consultant and to obtain advice and assistance from internal and external legal, accounting and other advisors. In connection with our 2017 fiscal year compensation review, the Compensation Committee engaged Mercer Human Resources Consulting, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (referred to in this proxy statement as Mercer) as its independent adviser for certain executive compensation matters. Mercer was retained by the Compensation Committee to provide an independent review of the Company's executive compensation programs, including an analysis of both the competitive market and the design of the programs. More specifically, Mercer furnished the Compensation Committee with reports on peer company practices relating to the following matters: short and long-term compensation program design; annual share utilization and shareowner dilution levels resulting from equity plans; and executive share ownership and retention values. As part of its reports to the Compensation Committee, Mercer evaluated our peer companies, and provided competitive compensation data and analysis relating to the compensation of our Chief Executive Officer and our other executives and senior officers. Mercer also assisted the Compensation Committee with its risk assessment of our compensation programs.

The Compensation Committee relied on input from Mercer in evaluating management's recommendations and arriving at the Compensation Committee's recommendations to the Board with respect to the elements of compensation discussed below under "*Compensation Discussion and Analysis*" for fiscal year 2017 compensation. The Compensation Committee expects that it will continue to retain a compensation consultant on future executive compensation matters.

Relationship with Compensation Consultant

During our 2017 fiscal year, Marsh & McLennan Companies, Inc. (the parent company of Mercer) and its affiliates, which we refer to collectively as Marsh, were retained by the Company to provide services unrelated to executive and director compensation matters. These services included various benefits and retirement consulting engagements and data purchases. The decision to engage Marsh for these other services was made by management. Although aware of such other services, our Compensation Committee did not review or approve such other services provided by Marsh, which services were approved by management in the ordinary course of business. The aggregate fees paid for those other services in fiscal year 2017 were approximately $304,000. Mercer's fees in connection with providing consulting services with respect to the compensation of our executive officers and non-employee directors in fiscal year 2017 were approximately $297,000.

Our Compensation Committee has determined that the provision by Marsh of services unrelated to executive and director compensation matters in fiscal year 2017 was compatible with maintaining the objectivity of Mercer in its role as compensation consultant to the committee and that the consulting advice it received from Mercer was not influenced by Marsh's other relationships with the Company. The Compensation Committee is sensitive to the concern that the services provided by Marsh, and the related fees, could impair the objectivity and independence of Mercer, and the committee believes that it is important that objectivity be maintained. However, the committee also recognizes that the services provided by Marsh are valuable to the Company and that it could be inefficient and not in the Company's interest to use a separate firm to provide those services at this time. In addition, the Compensation Committee has confirmed that Mercer and Marsh maintain appropriate safeguards to assure that the consulting services provided by Mercer are not influenced by the Company's business relationship with Marsh. Specifically, Mercer provided to the Compensation Committee an annual update on Mercer's and Marsh's financial relationship with the Company and assurances that members of Mercer who perform consulting services for the Compensation Committee have a reporting relationship and compensation determined separately from Marsh's other lines of business and from its other work for the Company.

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

Compensation Committee Interlocks and Insider Participation

During our 2017 fiscal year, Messrs. Capellas and Schulman and Dr. Shih served as members of the Compensation Committee. None of our executive officers served on the Compensation Committee during our 2017 fiscal year. None of our directors has interlocking or other relationships with other boards, compensation committees or our executive officers that require disclosure under Item 407(e)(4) of SEC Regulation S-K.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is currently composed of Messrs. Schulman and Zimmerman, each of whom our Board has determined to be an independent director under the applicable listing standards of Nasdaq. In addition, Mr. Bingham served as Chairman of the Nominating and Corporate Governance Committee until his resignation from the Board in June 2017. Mr. Capellas became Chairman of the Nominating and Corporate Governance Committee following Mr. Bingham's resignation. The Nominating and Corporate Governance Committee held five meetings during fiscal year 2017 and regularly meets in executive sessions without management present. The committee recruits, evaluates and recommends candidates for appointment or election as members of our Board. The committee is also responsible for shaping and overseeing the application of the Company's corporate governance policies and procedures, including recommending corporate governance guidelines to the Board. In addition, the committee oversees the Board's annual self-evaluation process and any Board communications with shareholders. In addition, the Nominating and Corporate Governance Committee reviews and makes recommendations to our Board for the compensation of our non-employee directors. Our Board has adopted a Nominating and Corporate Governance Committee Charter that is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com.*

The goal of the Nominating and Corporate Governance Committee is to ensure that our Board possesses a variety of perspectives and skills derived from high-quality business and professional experience. Although the Board does not have a formal policy on diversity, the Nominating and

Corporate Governance Committee seeks to achieve a balance and diversity of knowledge, experience and capability on our Board, while maintaining a sense of collegiality and cooperation that is conducive to a productive working relationship within the Board and between the Board and management. In addition, the committee seeks nominees with the highest professional and personal ethics and values, an understanding of our business and industry, a high level of education, broad-based business acumen, and the ability to think strategically. Although the committee uses these and other criteria to evaluate potential nominees, we have no stated minimum criteria for nominees.

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

The Nominating and Corporate Governance Committee also reviews and makes recommendations to our Board for the compensation of our non-employee directors. To assist the Nominating and Corporate Governance Committee in its periodic review of director compensation, our management provides director compensation data compiled from the annual reports and proxy statements of companies in our peer comparison group. In addition, the Nominating and Corporate Governance Committee retained Mercer to assist the committee in its review of our non-employee director compensation program. This review was conducted to establish whether the compensation paid to our non-employee directors was competitive when compared to the practices of our peer group of companies. The Nominating and Corporate Governance Committee reviewed, among other things, the existing cash compensation of our non-employee directors, and the grant date fair value of restricted share unit awards. The Nominating and Corporate Governance Committee, with the assistance of Mercer, has also taken into consideration compensation trends for outside directors and the implementation of our share ownership guidelines for non-employee directors. The current compensation payable to our non-employee directors and our Chairman of the Board is discussed in the section below captioned "*Non-Management Directors' Compensation for Fiscal Year 2017*." The Company is seeking shareholder approval for certain changes to the cash compensation of our non-employee directors. For additional information, see the section entitled "*Proposal No. 8: Ordinary Resolution to Approve Changes to the Cash Compensation Payable to our Non-Employee Directors*" beginning on page 48 of this proxy statement.

Director Share Ownership Guidelines

At the recommendation of the Compensation Committee, our Board of Directors adopted share ownership guidelines for our non-employee directors in July 2009 in connection with its review of our non-employee directors' compensation. The ownership guidelines encourage our non-employee directors to hold a minimum number of our ordinary shares equivalent to $340,000 in value. The guidelines encourage our non-employee directors to reach this goal within five years of the date that the Board approved the guidelines or the date of their election to our Board of Directors, whichever is later, and to hold at least such minimum value in shares for as long as he or she serves on our Board. All of our non-employee directors have already met the minimum requirements of the share ownership guidelines or are on target to be in compliance with the requirements of the guidelines by the date of the annual general meeting. Additionally, in fiscal year 2018, the Board of Directors adopted revised ownership guidelines encouraging non-employee directors to hold a minimum number of our ordinary shares equivalent to four times their annual retaines.

NON-MANAGEMENT DIRECTORS' COMPENSATION FOR FISCAL YEAR 2017

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

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

Fiscal Year 2017 Annual Cash Compensation

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

- annual cash compensation of $85,000, payable quarterly in arrears to each non-employee director for services rendered as a director;
- additional annual cash compensation of $100,000, payable quarterly in arrears to the Chairman of the Board of Directors for services rendered as Chairman of the Board (in addition to the regular cash compensation payable to a member of the Board for services rendered as a director and for service on any Board committee, including service as Chairman of any Board committee);
- additional annual cash compensation of $35,000, payable quarterly in arrears to the Chairman of the Audit Committee for services rendered as Chairman of the Audit Committee;
- additional annual cash compensation of $15,000, payable quarterly in arrears to each member who serves on the Audit Committee (including the Chairman of the Audit Committee) for participation on the committee;
- additional annual cash compensation of $35,000, payable quarterly in arrears to the Chairman of the Compensation Committee for services rendered as Chairman of the Compensation Committee;
- additional annual cash compensation of $15,000, payable quarterly in arrears to each member who serves on the Compensation Committee (including the Chairman of the Compensation Committee) for participation on the committee;
- additional annual cash compensation of $7,000, payable quarterly in arrears to the Chairman of the Nominating and Corporate Governance Committee for services rendered as Chairman of the Nominating and Corporate Governance Committee;
- additional annual cash compensation of $8,000, payable quarterly in arrears to each member who serves on the Nominating and Corporate Governance Committee (including the Chairman of the Nominating and Corporate Governance Committee) for participation on the committee; and

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

Non-employee directors do not receive any non-equity incentive compensation, or participate in any pension plan or deferred compensation plan.

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

Changes to Fiscal Year 2018 Compensation

We are currently seeking approval from our shareholders to: (i) increase from $85,000 to $90,000 the annual cash compensation payable to each of the company's non-employee directors for services rendered as a director; (ii) increase from $35,000 to $40,000 the additional annual cash compensation payable to the Chairman of the Audit Committee for services rendered as Chairman of the Audit Committee; (iii) increase from $35,000 to $40,000 the additional annual cash compensation payable to the Chairman of the Compensation Committee for services rendered as Chairman of the Compensation Committee; and (iv) increase from $7,000 to $15,000 the additional annual cash compensation payable to the Chairman of the Nominating and Corporate Governance Committee for services rendered as Chairman of the Nominating and Corporate Governance Committee.

In addition, our Nominating and Corporate Governance Committee recommended and our Board approved the following changes to the compensation of our non-employee directors, which changes do not require the approval of our shareholders under Singapore law and for which we are not seeking shareholder approval: (i) a decrease from $100,000 to $50,000 the additional annual cash compensation payable to the Chairman of the Board for services rendered as Chairman of the Board and a decrease from $100,000 to $50,000 in the fair market value of the yearly restricted share unit award granted to the Chairman of the Board; and (ii) an increase from $175,000 to $185,000 in the fair market value of the yearly restricted share unit award granted to our non-employee directors. While the shareholders had previously approved annual additional cash compensation of $100,000 to the Chairman of the Board, the lower amount of $50,000 in additional cash compensation will be paid to the Chairman of the Board going forward on an annual basis.

For additional information, see the section entitled "*Proposal No. 8: Ordinary Resolution to Approve Changes to the Cash Compensation Payable to our Non-Employee Directors*" beginning on page 48 of this proxy statement.

Fiscal Year 2017 Equity Compensation

Yearly Restricted Share Unit Awards

Under the terms of the discretionary restricted share unit grant provisions of our 2010 Equity Incentive Plan, which we refer to as the 2010 Plan, each non-employee director is eligible to receive grants of restricted share unit awards at the discretion of our Board of Directors. In accordance with the compensation program recommended by the Nominating and Corporate Governance Committee and approved by the Board, each non-employee director receives, following each annual general meeting of the Company, a yearly restricted share unit award consisting of such number of shares having an aggregate fair market value of $175,000 on the date of grant. These yearly restricted share unit awards vest in full on the date immediately prior to the date of the next year's annual general meeting. During fiscal year 2017, each non-employee director received a restricted share unit award covering 13,597 ordinary shares under this program.

Initial Awards

Upon initially becoming a director of the company, each non-employee director receives a pro-rated share of the yearly restricted share unit award granted to our directors, which is discussed above. The pro-rated award vests on the date immediately prior to the date of our next annual general meeting and is based on the amount of time that the director serves on the Board until such date. No director received a restricted share unit award under this program in fiscal year 2017.

Discretionary Grants

Under the terms of the discretionary option grant provisions of the 2010 Plan, non-employee directors are eligible to receive share options granted at the discretion of the Compensation Committee. No director received share options pursuant to the discretionary grant program during fiscal year 2017.

Compensation for the Non-Employee Chairman of the Board

Our non-executive Chairman was entitled to receive, following each annual general meeting of the Company, (i) the $100,000 in additional annual cash compensation described above, payable quarterly in arrears, and (ii) an additional yearly restricted share unit award that consists of such number of shares having an aggregate fair market value of $100,000 on the date of grant, which vests on the date immediately prior to the date of the next year's annual general meeting. Following the 2016 annual general meeting, our non-executive Chairman of the Board received a restricted share unit award covering 7,770 ordinary shares under the equity portion of this program. Our Chairman of the Board is also eligible to receive all other compensation payable to our non-employee directors for his service as a member of the Board.

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

As described above, while the shareholders had previously approved annual additional cash compensation of $100,000 to the Chairman of the Board, the Company will be decreasing the additional annual cash compensation payable to our Chairman of the Board from $100,000 to $50,000 (and this decrease does not require shareholder approval). For additional information about this proposal, see the section entitled "*Proposal No. 8: Ordinary Resolution to Approve Changes to the Cash Compensation Payable to our Non-Employee Directors*" beginning on page 48 of this proxy statement.

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

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

Director Summary Compensation in Fiscal Year 2017

The following table sets forth the fiscal year 2017 compensation for our non-employee directors.

Name	Fees Earned or Paid in Cash ($)(1)	Share Awards ($)(2)	Total ($)
H. Raymond Bingham(3)	$200,000	$274,993	$474,993
Michael D. Capellas(4)	—	$274,944	$274,944
Marc A. Onetto	$100,000	$174,993	$274,993
Daniel H. Schulman	$143,000	$174,993	$317,993
Willy C. Shih, Ph.D.	$100,000	$174,993	$274,993
Lay Koon Tan(4)	—	$274,944	$274,944
William D. Watkins	$100,000	$174,993	$274,993
Lawrence A. Zimmerman	$143,000	$174,993	$317,993

(1) This column represents the amount of cash compensation earned in fiscal year 2017 for Board and committee service.

(2) This column represents the grant date fair value of restricted share unit awards granted in fiscal year 2017 in accordance with FASB ASC Topic 718. The grant date fair value of restricted share unit awards is the closing price of our ordinary shares on the date of grant. For additional information regarding the assumptions made in calculating the amounts reflected in this column, see Note 3 to our audited consolidated financial statements for the fiscal year ended March 31, 2017, "Share-Based Compensation," included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017. No option awards were granted in fiscal year 2017.

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

(4) In lieu of their cash compensation, Messrs. Capellas and Tan both elected to receive fully vested ordinary shares of the Company under the director share election program for Board and Committee fees earned beginning with the date following the 2016 annual general meeting. During fiscal year 2017, both Messrs. Capellas and Tan each received 7,507 ordinary shares under the share election program, the value of which is reflected in the table above under "Share Awards." Mr. Tan discontinued this election effective January 1, 2017.

The table below shows the aggregate number of ordinary shares underlying share options and unvested restricted share units held by our non-employee directors as of the 2017 fiscal year-end:

Name	Number of Ordinary Shares Underlying Outstanding Share Options (#)	Number of Ordinary Shares Underlying Outstanding Restricted Share Units (#)
H. Raymond Bingham(1)	—	21,367
Michael D. Capellas	—	13,597
Marc A. Onetto	—	13,597
Daniel H. Schulman	—	13,597
Willy C. Shih, Ph.D.	25,000	13,597
Lay Koon Tan	—	13,597
William D. Watkins	—	13,597
Lawrence A. Zimmerman	—	13,597

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

Change of Control and Termination Provisions

Dr. Shih has outstanding share options that were issued under the terms of our 2001 Equity Incentive Plan, which we refer to as our 2001 Plan, and all of our non-employee directors have outstanding restricted share unit awards granted under the terms of the 2010 Plan. Equity awards to our directors are currently granted under the 2010 Plan, the adoption of which was approved by our shareholders at our 2010 annual general meeting. Under the terms of the 2001 Plan, if a director ceases to provide services to the Company for any reason other than death, cause (as defined in the 2001 Plan) or disability (as defined in the 2001 Plan), then the director may exercise any options which have vested by the date of such termination within three months of the termination date or such other period not exceeding five years or the term of the option, as determined by the Compensation Committee. If a director ceases to provide services to the Company because of death or disability, then the director may exercise any options which have vested by the date of such termination within 12 months of the termination date or such other period not exceeding five years or the term of the option, as determined by the Compensation Committee. All share options held by a director who is terminated for cause expire on the termination date, unless otherwise determined by the Compensation Committee.

In the event of a dissolution or liquidation of the Company or if we are acquired by merger or asset sale or in the event of other change of control events, the treatment of outstanding restricted share units granted under the 2010 Plan is as described in the section entitled "*Potential Payments upon Termination or Change in Control*."

PROPOSAL NO. 2: RE-APPOINTMENT OF INDEPENDENT AUDITORS FOR FISCAL YEAR 2018 AND AUTHORIZATION OF OUR BOARD TO FIX THEIR REMUNERATION

Our Audit Committee has approved, subject to shareholder approval, the re-appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm to audit our financial statements and records for the fiscal year ending March 31, 2018, and to perform other appropriate services. In addition, pursuant to Section 205(16) of the Companies Act, our Board of Directors is requesting that the shareholders authorize the directors, upon the recommendation of the Audit Committee, to fix the auditors' remuneration for services rendered through the 2018 annual general meeting. We expect that a representative from Deloitte & Touche LLP will be present at the 2017 annual general meeting. This representative will have the opportunity to make a statement if he or she so desires and is expected to be available to respond to appropriate questions.

Principal Accountant Fees and Services

Set forth below are the aggregate fees billed by our principal accounting firm, Deloitte & Touche LLP, a member firm of Deloitte Touche Tohmatsu, and its respective affiliates for services performed during fiscal years 2017 and 2016. All audit and permissible non-audit services reflected in the fees below were pre-approved by the Audit Committee in accordance with established procedures.

	Fiscal Year	
	2017	2016
	(in millions)	
Audit Fees	$ 9.3	$ 9.0
Audit-Related Fees	0.2	0.2
Tax Fees	1.3	1.0
All Other Fees	0.1	—
Total	$10.9	$10.2

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

Audit-Related Fees consist of fees for assurance and related services by our independent registered public accounting firm that are reasonably related to the performance of the audit and not included in Audit Fees.

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

All Other Fees consist of fees for professional services rendered by our independent registered public accounting firm for permissible non-audit services, primarily related to acquisition-related due diligence.

Audit Committee Pre-Approval Policy

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

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

The Board recommends a vote “FOR” the re-appointment of Deloitte & Touche LLP as our independent auditors for fiscal year 2018 and authorization of the Board, upon the recommendation of the Audit Committee, to fix their remuneration.

AUDIT COMMITTEE REPORT

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

The Audit Committee assists our Board of Directors in overseeing financial accounting and reporting processes and systems of internal controls. The Audit Committee also evaluates the performance and independence of our independent registered public accounting firm. The Audit Committee operates under a written charter, a copy of which is available on the Corporate Governance page of the Investor Relations section of our website at *www.flex.com*. Under the written charter, the Audit Committee must consist of at least three directors, all of whom must be "independent" as defined by the Exchange Act and the rules of the SEC and Nasdaq. The members of the Audit Committee during fiscal year 2017 were Messrs. Tan, Watkins, Zimmerman and Onetto, each of whom is an independent director.

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

The Audit Committee has reviewed and discussed with both the management of the Company and our independent auditors our audited consolidated financial statements for the fiscal year ended March 31, 2017, as well as management's assessment and our independent auditors' evaluation of the effectiveness of our internal control over financial reporting as of March 31, 2017. Our management represented to the Audit Committee that our audited consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

The Audit Committee also discussed with our independent auditors the matters required to be discussed by our independent registered public accounting firm with the Audit Committee under the rules adopted by the Public Company Accounting Oversight Board. The Audit Committee also has discussed with our independent auditors the firm's independence from Company management and the Company, and reviewed the written disclosures and letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence. The Audit Committee has also considered whether the provision of non-audit services by our independent auditors is compatible with maintaining the independence of the auditors. The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent auditors. All audit and permissible non-audit services performed by our independent auditors during fiscal years 2017 and 2016 were pre-approved by the Audit Committee in accordance with established procedures.

Audit Committee Report

Based on the Audit Committee's discussions with the management of the Company and our independent auditors and based on the Audit Committee's review of our audited consolidated financial statements together with the reports of our independent auditors on the consolidated financial statements and the representations of our management with regard to these consolidated financial statements, the Audit Committee recommended to the Company's Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017, which was filed with the SEC on May 16, 2017.

Submitted by the Audit Committee of the Board of Directors:

Lawrence A. Zimmerman
Marc A. Onetto
Lay Koon Tan
William D. Watkins

PROPOSAL NO. 3: ORDINARY RESOLUTION TO AUTHORIZE ORDINARY SHARE ISSUANCES

We are incorporated in the Republic of Singapore. Under Singapore law, our directors may only issue ordinary shares and make or grant offers, agreements or options that might or would require the issuance of ordinary shares, with the prior approval from our shareholders. We are submitting this proposal because we are required to do so under the laws of Singapore before we can issue any ordinary shares in connection with our equity compensation plans, possible future strategic transactions, or public and private offerings.

If this proposal is approved, the authorization would be effective from the date of the 2017 annual general meeting until the earlier of (i) the conclusion of the 2018 annual general meeting or (ii) the expiration of the period within which the 2018 annual general meeting is required by law to be held. The 2018 annual general meeting is required to be held 15 months after the date of the 2017 annual general meeting or six months after the date of our 2018 fiscal year end, whichever is earlier (except that Singapore law allows for a one-time application for an extension of up to a maximum of two months to be made with the Singapore Accounting and Corporate Regulatory Authority).

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

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

If this proposal is not approved, we would not be permitted to issue any new ordinary shares, including shares issuable pursuant to compensatory equity awards (other than shares issuable on exercise or settlement of outstanding options, restricted share units and other instruments convertible into or exercisable for ordinary shares, which were previously granted when the previous shareholder approved share issue mandates were in force). If we are unable to rely upon equity as a component of compensation, we would have to review our compensation practices, and would likely have to substantially increase cash compensation to retain key personnel.

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

Our Board expects that we will continue to issue ordinary shares and grant options and restricted share unit awards in the future under circumstances similar to those in the past. As of the date of this proxy statement, other than issuances of ordinary shares or agreements that would require the issuance of new ordinary shares in connection with our equity compensation plans and arrangements, we have no specific plans, agreements or commitments to issue any ordinary shares for which approval of this proposal is required. Nevertheless, our Board believes that it is advisable and in the best interests of our shareholders for our shareholders to provide this general authorization in order to avoid the delay and expense of obtaining shareholder approval at a later date and to provide us with greater flexibility to pursue strategic transactions and acquisitions and raise additional capital through public and private offerings of our ordinary shares as well as instruments convertible into our ordinary shares.

If this proposal is approved, our directors would be authorized to issue, during the period described above, ordinary shares subject only to applicable Singapore laws and the rules of Nasdaq. The issuance of a large number of ordinary shares could be dilutive to existing shareholders or reduce the trading price of our ordinary shares on Nasdaq.

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

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

PROPOSAL NO. 4: NON-BINDING, ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

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

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

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

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

Performance Highlights For Fiscal Year 2017

We delivered strong fiscal year 2017 operating results and continued to execute our business transformation and deliver on our commitment to return value to shareholders. We generated TSR of nearly 40%, which put us in the top 15% of all companies in the S&P 500. Our 3-year TSR was 82%, which was in the top decile of all firms in the S&P 500. We achieved these results in a global economic environment that continued to face a high degree of uncertainty due to macro-economic factors such as ongoing growth challenges in Europe, concerns of a slowdown in Chinese growth, and political and interest rate uncertainty. Internally, we continued on our business transformation journey during fiscal year 2017 through which we are reorganizing and rebalancing our business portfolio. As a result of an improved cost structure and our strategic business transformation, we delivered solid operating results in fiscal year 2017 and executed on key strategic priorities, including growing our capabilities such as the Flex Innovation Labs, Lab IX, and *Sketch-to-Scale*™, and our strategic partnerships with Nike and Elementum to expand our innovative offerings. Areas where we saw year-over-year declines mainly represent intentional strategic shifts as a result of our business transformation activities. Highlights[(2)] include:

- We reported net sales of $23.9 billion, a decrease of 2% compared to the prior year.
- Grew adjusted operating profit to $815.2 million, a 3% increase over fiscal year 2016.
- Delivered Adjusted Earnings Per Share (EPS) of $1.17 per share, a 3% increase over the prior year.
- Adjusted gross profit totaled $1.7 billion, an increase of 4% compared to the prior year.

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

- Adjusted gross margin increased to 7.0% of net sales in fiscal year 2017, compared with 6.6% of net sales in fiscal year 2016.
- Generated operating cash flows of $1.1 billion during the year. The strong cash flow generated from our operations enabled us to return value to shareholders with the repurchase of $349.5 million of our shares paid in fiscal year 2017.
- Increased free cash flow to $660.4 million which was up 3% over the prior year and within our communicated range of $600 to $700 million annually.
- We had some less favorable year-over-year financial result comparisons due to our ongoing business transformation, though these actions are positioning the Company for enhanced future results.

In addition to the above results, our stock price increased by nearly 40% from $12.06 at the end of fiscal year 2016 to $16.80 at the end of fiscal year 2017. This translates into a 1-year TSR of nearly 40% and Flex's 3-year TSR is 82%, which has generated significant value for shareholders and represents results that are in the upper 15% of S&P 500 firms over the same time periods. We believe that this above market result is the result of having articulated a value-creating strategy and delivering against that strategy.

Pay and Performance Alignment For Fiscal Year 2017

As noted above, we delivered strong operating results and shareholder returns during fiscal year 2017. However, given Flex's aggressive operating result goal-setting, our final financial performance was somewhat below our targeted levels. Our compensation philosophy is to reward above-target performance when achieved, and pay zero or below target when favorable results are not delivered. In line with our fiscal year 2017 performance, Flex's NEOs earned short-term incentive awards that recognize our strong financial performance, as well as the fact that we did not fully achieve our targeted performance goals. Highlights include the following:

- Maintained the CEO's base salary with no increase, positioned approximately at the peer median.
- Provided modest base salary increases of less than 4.0% to other NEOs, though overall salary positioning continued to be approximately at our peer group median.
- The CEO and most other NEOs earned a below-target short-term incentive payout of 78.8% of target due to our aggressive internal performance goals.
- Paid out the long-term performance share unit cycle during fiscal year 2017 at 193% of target in May 2016 based upon TSR results that were above target and exceeded market levels over the performance cycle from fiscal year 2014 through fiscal year 2017. The Flex three year free cash flow (FCF) performance share unit cycle paid out at 94.6%, reflecting Flex's more aggressive operating targets.
- Funded the NEOs' deferred compensation plans with a value that averaged 26.4% of our NEOs' respective base salaries based on fiscal year 2017 results.
- Continued to use fiscal year 2017 long-term incentive grants that balance relative TSR performance share units (PSUs) with a long-term incentive plan (LTIP) that measures cumulative FCF over a multi-year period (from fiscal year 2017 through fiscal year 2019).
- Granted modest Elementum profits interests unit value awards to certain executives who continue to make significant contributions to our Elementum business.

Prior Say on Pay Advisory Vote Results and Shareholder Engagement

In the normal course of Flex's business, we have communications with shareholders about both our business and our executive compensation programs. During fiscal year 2017, we interacted with holders of approximately over 70% of our share voting power. We also provided shareholders with a "say on pay" advisory vote on executive compensation at our 2016 annual general meeting held on August 24, 2016. The advisory vote received the support of approximately 79% of the votes cast at the annual general meeting. In the two prior years, Flex had received say on pay votes that exceeded 90% support for the compensation approach. The decline in the 2016 say on pay vote was driven primarily by an "against" vote by a single major shareholder. Based on our direct discussions with this shareholder, we continue to believe that the underlying structure and implementation of our executive compensation program is sound and provides proper pay for performance alignment. We have been asked to more tightly manage our overall share grant levels relative to performance delivered, which we have been and will continue to do (see Responsible Share Usage section in the Compensation Discussion and Analysis, below). Outside of the points noted above, we believe the level of support at our 2016 annual general meeting reflects ongoing institutional shareholder outreach efforts and the continuing efforts to align our executive compensation with shareholder interests. Based on the favorable prior say on pay results, shareholder feedback on existing programs, and our review of the alignment of the pay program design with business results, we continued the structure of our fiscal year 2016 compensation programs in fiscal year 2017.

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

While the vote on this resolution is advisory and not binding on the Company, each of the Compensation Committee and the Board values the opinions of our shareholders and will consider the outcome of the vote on this resolution when making decisions regarding future executive compensation arrangements. We have held a say on pay advisory vote on an annual basis since 2011. As detailed in Proposal No. 5, we are also seeking an advisory shareholder vote regarding the frequency of advisory shareholder votes to approve executive compensation.

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

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

In accordance with Section 14A of the Exchange Act, we are seeking a non-binding, advisory vote regarding the frequency with which shareholders would have an advisory vote to approve the executive compensation of the nature reflected in Proposal No. 5 every one year, every two years or every three years.

The Board of Directors, upon the recommendation of our Nominating and Corporate Governance Committee, has determined that continuing to hold an advisory vote on executive compensation every one year is the most appropriate policy for the company at this time. Therefore, our Board recommends that shareholders vote for future advisory votes on executive compensation to occur every one year. We believe that this approach is consistent with our policy of maintaining an open and transparent dialogue with our shareholders. In addition, although our executive compensation programs are designed to promote a long-term connection between compensation and performance, executive compensation is set and disclosed on an annual basis. However, we would like to advise our shareholders that because the advisory vote on executive compensation occurs after compensation decisions are determined and awards are made with respect to a particular fiscal year, it may not always be appropriate or feasible to change our compensation programs in consideration of any one year's advisory vote on executive compensation by the time of the following year's annual general meeting.

While this advisory resolution is not binding on the company, each of the Nominating and Corporate Governance Committee and the Board will carefully consider the voting results in recommending and determining the frequency of any future advisory votes o executive compensation. The frequency which receives the highest number of non-binding, affirmative votes will be deemed the choice of the shareholders. Shareholders are able to abstain from this proposal or to specify that a vote should be held every year, every two years or every three years. Shareholders are not being asked to approve or disapprove of the Board's recommendation. In addition, notwithstanding the Board's recommendation and the outcome of the shareholder vote, the Board may in the future decide to propose for consideration non-binding, advisory resolutions on executive compensation on a more or less frequent basis as it deems appropriate to best address the company's unique circumstances at any given time and to serve the best interests of our shareholders.

The Board recommends a vote to conduct future non-binding, advisory resolutions on executive compensation every "ONE YEAR".

PROPOSAL NO. 6: ORDINARY RESOLUTION TO APPROVE THE ADOPTION OF THE FLEX LTD. 2017 EQUITY INCENTIVE PLAN

We are asking shareholders to approve the Flex Ltd. 2017 Equity Incentive Plan (which we refer to as the 2017 Plan), which was approved by the Board on June 29, 2017, upon the recommendation of the Compensation Committee, and is subject to the approval of our shareholders.

The 2017 Plan is intended to replace our 2010 Plan with respect to future grants of equity awards. As of June 29, 2017, there were 10,442,897 ordinary shares remaining available for the grant of equity awards under the 2010 Plan, which will not be transferred to the 2017 Plan's share reserve and, further, if the holders of a majority of the ordinary shares present and voting on this proposal vote for the adoption of the 2017 Plan, it will immediately become effective and no further grants will be made under the 2010 Plan. If our shareholders do not approve the 2017 Plan, such plan will not become effective and the 2010 Plan, as it presently exists, will continue in effect. Flex has made additional grants of awards under the 2010 Plan in fiscal year 2018 which will not be reflected in the table on information about equity awards outstanding under the equity compensation plans as of March 31, 2017, set forth on page 92 under *"Equity Compensation Plan Information"*. In order to provide a current reconciliation of shares outstanding following these fiscal year 2018 grants, we have included a table containing updated information as of June 29, 2017 in the *"Background and Determination of Share Amounts"* section below. The results of the vote will not affect any awards outstanding under the 2010 Plan at the time of the annual general meeting.

Key Features of the 2017 Plan

The 2017 Plan includes a number of provisions designed to serve shareholders' interests:

- *Limitation on Individual Grants.* The 2017 Plan limits the number of shares subject to an award (or awards) granted to a single participant in one year to 10,000,000 where intended to comply with Section 162(m) of the Internal Revenue Code (or, for cash settled awards, an amount equal to 10,000,000 multiplied by the average daily trading price of the Company's shares during the preceding calendar year).
- *No "Evergreen" Provision.* Shares authorized for issuance under the 2017 Plan cannot be automatically replenished.
- *No Single Trigger Accelerated Vesting upon a Change in Control.* The 2017 Plan does not provide for a single trigger accelerated vesting of equity awards upon a change in control.
- *Limitation on Term of Stock Options.* The maximum term of each stock option is 10 years for employees (other than employees of certain "Affiliates" (as defined in the 2017 Plan), who are subject to a five year maximum term for stock options) and five years for non-employee directors, consultants and employees of certain Affiliates.
- *No Fungible Share Reserve.* The 2017 Plan does not contain a "fungible share reserve;" instead, all shares subject to awards are counted against the 2017 Plan's share limit as 1 share for every 1 share granted or subject to grant for any award.
- *Limitation on Awards to Non-Employee Directors.* The aggregate value of cash compensation and grant date fair market value of shares that may be paid or granted during any calendar year to a non-employee director is limited to $800,000.
- *No Dividends Paid on Unvested Awards.* No dividends may be paid with respect to an award prior to the vesting of such award.

- *No Repricing or Regranting of Awards.* The 2017 Plan does not permit, without shareholder approval, the repricing or regranting of any previously granted award, through cancellation or by lowering the exercise price for such award.
- *No Liberal Share Recycling.* Only shares subject to awards (including any previous outstanding grants made under any Prior Plan (as defined below) that are terminated, forfeited, canceled, expired, lapsed or settled in cash are permitted to be added back to the 2017 Plan's share reserve. Unissued shares which are withheld to satisfy the exercise price or withholding taxes related to an award will not become available for issuance for future awards under the 2017 Plan.
- *One-Year Minimum Vesting Period.* The 2017 Plan imposes a one-year minimum vesting period on all awards granted under the plan, except that share-based awards that do not satisfy this one-year minimum vesting requirement may be granted in an aggregate amount that does not exceed 5% of the total shares reserved and available for grant and issuance under the 2017 Plan.

The 2017 Plan adopts a number of updated practices from the Company's 2010 Plan, including the removal of the fungible share counting method, the limitation on awards to non-employee directors, the prohibition on the payment of dividends on awards prior to the vesting of such awards, and the application of the one-year minimum vesting period to all types of awards under the 2017 Plan.

Background and Determination of Share Amounts

Subject to approval by our shareholders, our Board of Directors, upon the recommendation of the Compensation Committee, adopted the 2017 Plan with a reserve of 22,000,000 ordinary shares. We believe that the number of shares requested to be reserved for issuance under the 2017 Plan is in the best interests of the Company because of the continuing need to provide equity awards that are competitive in the market for talent that is capable of delivering innovative technology solutions with world class manufacturing and supply chain expertise, and to give recognition to the contributions made or to be made by non-employee directors to the success of the Company.

As of June 29, 2017, we had 532,648,795 ordinary shares issued and outstanding.

In determining the appropriate share amount for inclusion in the 2017 Plan, the Compensation Committee reviewed an analysis, which took into account burn rate, dilution and overhang metrics, as well as peer group market practices and trends, and the cost of the 2017 Plan. The analysis, which is based on generally accepted evaluation methodologies used by proxy advisory firms, concluded that the number of shares under the 2017 Plan is within generally accepted standards as measured by an analysis of the plan cost relative to industry standards.

The below table sets forth the number of shares that would have been available as of June 29, 2017 if the 2017 Plan had been approved by shareholders and in effect as of such date, and the number of shares that would be available for issuance under the 2010 Plan if the 2017 Plan is not approved by shareholders:

Plan	Number of Ordinary Shares Available for Issuance upon Approval of 2017 Plan	Number of Ordinary Shares Available for Issuance if 2017 Plan Not Adopted
2017 Plan	22,000,000	0
2010 Plan	0	10,504,800

If approved, the 2017 Plan will replace the 2010 Plan.

The following table sets forth information about shares that may be issued under (i) our existing 2010 Plan as of June 29, 2017 (which plan replaced (a) the 2001 Plan, (b) the 2002 Interim Incentive Plan, (c) the 2004 Award Plan for New Employees, and (d) the Solectron Corporation 2002 Stock Plan, which we refer to collectively as the Prior Plans) and (ii) the NEXTracker, Inc. 2014 Equity Incentive

Plan and the BrightBox Technologies, Inc. 2013 Stock Incentive Plan (as amended), which we assumed as part of acquisitions during fiscal years 2016 and 2017, respectively. The following table provides information about equity awards outstanding under these plans as of June 29, 2017.

	As of June 29, 2017	Weighted-Average Exercise Price of Outstanding Awards(1)
Award Type:		
Shares outstanding from equity compensation plans approved by shareholders		
Performance RSUs outstanding(2)	2,773,565	—
Time based RSUs outstanding	12,364,218	—
Options outstanding	127,327	$8.80
Total awards under 2010 Plan outstanding	15,265,110	—
Shares available for issuance under 2010 Plan(3)	10,504,800	—
Shares outstanding from equity compensation plans not approved by shareholders(4)		
Time based RSUs outstanding under the NEXTracker, Inc. 2014 Equity Incentive Plan	1,528,727	—
Options outstanding under the NEXTracker, Inc. 2014 Equity Incentive Plan	1,545,483	$3.52
Options outstanding under the BrightBox Technologies, Inc. 2013 Stock Incentive Plan	130,509	$0.51
Total awards under equity compensation plans not approved by shareholders outstanding	3,204,719	—
Total awards under 2010 Plan and equity compensation plans not approved by shareholders outstanding	18,469,829	$3.66

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

(2) Represents performance RSUs outstanding at the target amount.

(3) Consists of ordinary shares available for grant under the 2010 Plan. The 2010 Plan provides for grants of up to 10.0 million ordinary shares, plus ordinary shares available for grant as a result of the forfeiture, expiration or termination of options and restricted share unit awards granted under the Prior Plans (if such ordinary shares are issued under such other stock options or restricted share unit awards, they will not become available under the 2010 Plan) and shares that were available for grant under the Prior Plans at the time of the consolidation of such plans into the 2010 Plan. Each ordinary share that is subject to a stock option is counted against this limit as one share. Each share that is subject to a restricted share unit award is counted against this limit as one and seventy-one hundredths (1.71) shares.

(4) As described on page 92, we maintained the NEXTracker, Inc. 2014 Equity Incentive Plan and the BrightBox Technologies, Inc. 2013 Stock Incentive Plan (as amended), which we assumed as part of acquisitions during fiscal years 2016 and 2017, respectively. The approval of the 2017 Plan will not impact the NEXTracker, Inc. 2014 Equity Incentive Plan and the BrightBox Technologies, Inc. 2013 Stock Incentive Plan (as amended), under which no further awards may be made.

The Company is committed to maintaining a responsible share burn rate. For Flex to be successful in its business, we need to provide equity awards that are competitive in the market for talent that is capable of delivering innovative technology solutions with world class manufacturing and supply chain expertise, and to give recognition to the contributions made or to be made by non-employee directors to the success of the Company. This competitive need is balanced by the Compensation Committee's and Board's careful management of the equity awards and share usage under our equity plans through: (i) targeting a broad-based equity strategy that generally aligns with the median of market (executives are positioned at approximately the market 65th percentile); (ii) conducting regular market analyses, to ensure alignment with market participation and award opportunity values; (iii) using an equity grant strategy that ensures that awards are focused on high performers and those that make a meaningful impact on Flex's business results; (iv) providing equity grants only in geographies and at employee levels in which it is a common market practice; (v) including direct performance metrics on more senior level participants, and providing longer-term shareholder alignment for all equity participants with multi-year vesting schedules on restricted share unit grants; and (vi) analyzing overall equity spending levels relative to peers and the broader market to ensure that total Company grant levels are appropriate from a market perspective.

Summary of the 2017 Plan

The principal provisions of the 2017 Plan are summarized below. This summary is not a complete description of the 2017 Plan's provisions and is qualified in its entirety by reference to the 2017 Plan, which is attached to this proxy statement as Annex A.

Term of the 2017 Plan. Unless terminated earlier, the 2017 Plan will continue until June 29, 2027, 10 years after the date the 2017 Plan was adopted by our Board.

Eligibility. All of our employees and directors and those of our subsidiaries and affiliates, including officers, members of our Board of Directors (including both employee and non-employee directors), and consultants of the Company and our subsidiaries and affiliates, are eligible to be selected as award recipients under the 2017 Plan. By approving the adoption of the 2017 Plan, shareholders are approving the potential grant of awards to the aforesaid categories of eligible persons, in accordance with the rules of the 2017 Plan and subject to the applicable limits therein. Where intended to comply with Section 162(m) of the Code, any one participant in the 2017 Plan may not receive awards for more than 10,000,000 ordinary shares (or if denominated in cash, an amount equal to 10,000,000 multiplied by the average daily trading price of the Company's ordinary shares during the preceding calendar year) in the aggregate per calendar year under the 2017 Plan. Awards under the 2017 Plan will generally be exercisable or payable only while the participant is an employee or director, as applicable. However, the Compensation Committee may, in its discretion and subject to the requirements of Section 162(m) of the Code, provide that an award may be paid or exercised following termination of service, a change of control event, or the retirement, death or disability of the participant.

As of the record date of June 16, 2017, approximately 1,600 employees and 8 non-employee directors would be eligible to participate in the 2017 Plan. Flex uses consultants from time to time, but cannot reasonably determine the number of consultants, if any, that would be eligible to participate in the 2017 Plan.

Administration. The 2017 Plan is administered by the Compensation Committee of our Board. The Compensation Committee has complete discretion, subject to the provisions of the 2017 Plan, to select each eligible individual to whom awards will be granted and to determine the type and amount of awards to be granted, the timing of such awards, and the other terms and conditions of awards granted under the 2017 Plan. Under the terms of the 2017 Plan, the Compensation Committee may delegate its authority under the 2017 Plan to a committee of the Board or to one or more officers of the Company, except for awards granted to officers or directors of the Company. The Compensation Committee also has the power to interpret the 2017 Plan and award agreements, to establish rules and regulations relating to the 2017 Plan, and to make all other determinations necessary or advisable for administering the 2017 Plan.

Available Awards. The 2017 Plan authorizes the Company to provide equity-based compensation in the form of: (i) stock options, including incentive stock options entitling the option holder to favorable tax treatment under Section 422 of the Code; (ii) restricted share units; (iii) share appreciation rights; (iv) performance share awards and performance share units; and (v) other share-based awards that are not inconsistent with the 2017 Plan. Each type of award is described below under the section captioned "Types of Awards Authorized Under the 2017 Plan." Each award granted under the 2017 Plan will be evidenced by an award agreement that sets forth the terms, conditions and limitations applicable to such award as determined by the Compensation Committee in its discretion.

Minimum One-Year Vesting Period. All awards shall have a minimum vesting period of one year, except that awards that do not satisfy this minimum vesting period requirement may be granted in an aggregate amount that does not exceed 5% of the total shares reserved for grant and issuance under the 2017 Plan (as determined under "Shares Available for Awards" and "Share Counting" below).

Shares Available for Awards. Subject to approval by our shareholders, our Board of Directors, upon the recommendation of the Compensation Committee, adopted the 2017 Plan with a reserve of 22,000,000 ordinary shares. As of June 29, 2017, there were 10,442,897 ordinary shares remaining available for the grant of equity awards under the 2010 Plan, which will not be transferred to the 2017 Plan's share reserve. Furthermore, upon the shareholders' approval of the 2017 Plan, no further grants will be made under the 2010 Plan.

Valuation. The fair market value of our ordinary shares on any relevant date under the 2017 Plan is the closing sales price per share on that date on the NASDAQ Global Select Market. As of June 29, 2017, the closing price of our ordinary shares on the NASDAQ Global Select Market was $16.34 per share.

Share Counting. Under the 2017 Plan, each ordinary share that is subject to any award will count against the aggregate 2017 Plan limit as one ordinary share. To the extent that an award terminates, expires, lapses for any reason, or is settled in cash, any ordinary shares subject to the award will again be available for the grant of an award pursuant to the 2017 Plan. Ordinary shares that are withheld (if and to the extent permitted by applicable law) to satisfy the grant or exercise price or tax withholding obligations will be treated as issued under the 2017 Plan and will be deducted from the number of shares that may be issued under the 2017 Plan. Further, any ordinary shares that are acquired by the Company (if and to the extent permitted by applicable law) to satisfy the grant or exercise price or tax withholding obligations pursuant to any award under the 2017 Plan will not be added back to the aggregate number of shares that may be issued pursuant to the plan.

Limitation on Non-Employee Director Compensation. The aggregate value of cash compensation and grant date fair market value of shares that may be paid or granted during any calendar year of the Company to any non-employee director shall not exceed $800,000. By approving the 2017 Plan, shareholders would be approving the grant of awards under the 2017 Plan (which may be amended from time to time) to current non-employee directors and such other persons each of whom may be appointed as a non-employee director of the Company from time to time.

Repricing Prohibited Without Shareholder Approval. The repricing, replacement or regranting of any previously granted award, through cancellation or by lowering the exercise price or purchase price of such award, will be prohibited unless the shareholders of the Company first approve such repricing, replacement or regranting. Similarly, no "underwater" option or share appreciation right may be cancelled in exchange for cash unless otherwise approved by the shareholders.

Types of Awards Authorized Under the 2017 Plan:

- *Stock Options.* Stock options may be granted that entitle the option holder to purchase ordinary shares at a price set forth in the applicable award agreement. Stock options may be granted as non-qualified stock options or as incentive stock options, or in any combination of the two. The exercise price of any stock option may not be less than the fair market value of an ordinary share on the date of grant, and the maximum term for any stock option is 10 years (5 years, in the case of grants to any non-employee member of our Board of Directors, consultant or employee of any of our “Affiliates” (as defined in the 2017 Plan) that are not “related corporations” (as defined under the Companies Act)). The Compensation Committee will determine the methods by which the exercise price of a stock option may be paid, which may include: (i) a payment in cash or by check; (ii) the withholding of shares (if and to the extent permitted by applicable law) otherwise deliverable upon exercise of the option, whereby the participant shall be (x) deemed to have waived his right to delivery of the full number of shares in respect of which the option is exercised; and (y) deemed to have agreed to receive the number of shares (after deducting the number of shares which have a fair market value on the date of exercise equal to the aggregate exercise price of the shares as to which the option shall be exercised) as calculated by the Compensation Committee in its absolute discretion; (iii) a “same day sale” commitment from the participant and a broker-dealer whereby the option holder irrevocably elects to exercise the stock option and to sell a portion of the ordinary shares so purchased to pay the exercise price, and whereby the broker-dealer irrevocably commits upon receipt of such ordinary shares to forward the exercise price directly to the Company; (iv) delivery of other property acceptable to the Compensation Committee; or (v) any combination of the foregoing methods of payment. Incentive stock options may be granted only to our employees and those of our subsidiaries. In addition, in the case of any incentive stock options granted to any individual who owns, as of the date of grant, shares possessing more than 10 percent of the total combined voting power of all classes of our shares, the incentive stock option must have an exercise price that is not less than 110% of the fair market value of an ordinary share on the date of grant and the maximum term of any such incentive stock option is 5 years. The aggregate fair market value (determined as of the time the option is granted) of all shares with respect to which incentive stock options are first exercisable by a grantee in any calendar year may not exceed $100,000 or such other limitation as imposed by Section 422(d) of the Code.

- *Share Appreciation Rights.* A share appreciation right is a right, exercisable by the surrender of all or a portion of the share appreciation right, to receive a payment equal to the product of: (i) the excess of (A) the fair market value of an ordinary share on the date the share appreciation right is exercised over (B) the grant price of the share appreciation right; and (ii) the number of ordinary shares with respect to which the share appreciation right is exercised. No share appreciation right may be exercisable more than 7 years from the date of grant. A share appreciation right may be paid in cash, in ordinary shares (based on the fair market value of such ordinary shares on the date the share appreciation right is exercised) or in a combination of cash and ordinary shares, as determined by the Compensation Committee.

- *Restricted Share Units.* A restricted share unit is a type of contingent share award that generally entitles the participant to receive a number of our ordinary shares, or the value of such shares, in connection with the satisfaction of vesting conditions determined by the Compensation Committee, as specified in the award agreement for the restricted share units. Restricted share units may be denominated in unit equivalents of ordinary shares and/or units of value including the dollar value of shares. At the time of grant of the restricted share unit award, the Compensation Committee will specify the date or dates on which the award will become vested and non-forfeitable, and may specify any other terms and conditions. In addition, the Compensation Committee will specify the settlement date applicable to each restricted share unit, which may not be earlier than the vesting date or dates of the award. Settlement of restricted share units may be made in ordinary shares or in cash (in an amount reflecting the fair market value of the ordinary shares that would have been issued) or any combination of cash and shares, as determined by the Compensation Committee in its sole discretion.

- *Performance Shares and Performance Share Units.* Performance shares represent the right to receive ordinary shares of the Company, the payment of which is contingent upon achieving certain performance criteria established by the Compensation Committee. Performance share units represent a right to receive ordinary shares, or the value of such shares, the payment of which is contingent upon achieving certain performance criteria established by the Compensation Committee. Performance share unit awards may be denominated in unit equivalents of ordinary shares and/or units of value including the dollar value of shares. Performance share awards and performance share units may be linked to any one or more of the performance criteria specified in the 2017 Plan (and as further discussed under "Performance Measures" below), or for awards that are not intended to be qualified performance-based compensation under Section 162(m) of the Internal Revenue Code, other specific performance criteria determined appropriate by the Compensation Committee, in each case on a specified date or dates or over any performance period determined by the Compensation Committee. In addition, the Compensation Committee will specify the settlement date applicable to each performance share award or performance share unit award, which may not be earlier than the vesting date or dates of the award. Settlement of a performance share or a performance share unit may be made in ordinary shares or in cash (in an amount reflecting the fair market value of the ordinary shares that would have been issued) or in any combination of cash and shares, as determined by the Compensation Committee in its sole discretion.

- *Other Share-Based Awards.* In addition to restricted share units, performance share awards and performance share unit awards, the Compensation Committee is authorized under the 2017 Plan to make any other award to an eligible individual that is not inconsistent with the provisions of the 2017 Plan and that by its terms involves or might involve the issuance of: (i) ordinary shares; (ii) a right with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria specified in the 2017 Plan or other conditions; or (iii) any other security with the value derived from the value of our ordinary shares.

Singapore law currently prohibits us from issuing restricted shares or restricted share awards (i.e., awards involving the immediate transfer by the Company to a participant of ownership of a specified number of ordinary shares of the Company, which are subject to restrictions on transfer and may be forfeited prior to vesting) and we do not intend to issue any such awards at this time. However, if there is a change in Singapore law or other development that would permit us to grant restricted share awards, the 2017 Plan would provide us with the flexibility to do so.

Section 162(m) of the Code. The 2017 Plan is designed to allow the Compensation Committee to grant awards that satisfy the requirements for the performance-based compensation exclusion from the deduction limitations under Section 162(m) of the Code. Section 162(m) of the Code generally limits the deductibility for federal income tax purposes of annual compensation paid to a Company's Chief Executive Officer and the three most highly compensated executive officers other than the Chief Executive Officer and the Chief Financial Officer, which officers we refer to as covered executives, to $1 million per covered executive in a taxable year. However, qualified performance-based compensation does not count towards the $1 million limit.

The Board and the Compensation Committee believe that it is in our interests and the interests of our shareholders to maintain an equity compensation plan under which certain compensation awards made to our covered executives can qualify for deductibility for federal income tax purposes. Accordingly, the 2017 Plan has been structured in a manner such that certain awards under it can satisfy the requirements for the performance-based compensation exclusion from the deduction limitations under Section 162(m) of the Code. In order to allow for certain awards to satisfy such requirements, the 2017 Plan specifies performance measures and other material terms that must be approved by our shareholders. Approval of the 2017 Plan by the required vote of our shareholders, as described above, is intended to constitute such approval.

Grants of certain performance-based compensation will be subject to the attainment of one or more specified performance goals over a specified period of time of not less than one year. We refer to this time period as a performance period. The performance goals will be based upon certain performance criteria selected by the Compensation Committee, as described below under the section captioned "Performance Measures."

To the extent necessary to comply with the applicable provisions of Section 162(m)(4)(C) of the Code, when granting awards intended to qualify as performance-based compensation, the Compensation Committee will, in writing: (i) designate one or more covered executives to whom such awards may be made; (ii) select the performance criteria applicable to the performance period; (iii) establish the performance goals, and amount of such awards, as applicable, which may be earned for the performance period; and (iv) specify the relationship between the performance criteria and the performance goals and the amounts of such awards that may be earned by each covered executive for the performance period. To the extent required by Section 162(m)(4)(C) of the Code, the Compensation Committee shall establish the performance criteria and performance goals no later than 90 days following the commencement of any performance period in question or any other designated performance period (or such other time as may be required or permitted by Section 162(m) of the Code). Following the completion of the performance period, the Compensation Committee will certify in writing the extent to which the applicable performance goals have been achieved for the performance period. In determining the amount earned by a covered executive, the Compensation Committee will have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that it may deem relevant to the assessment of individual or corporate performance for the performance period. Furthermore, a participant shall be eligible to receive payment pursuant to a performance-based award for a performance period only if the performance goals for such period are achieved.

Performance Measures. In granting awards that are contingent upon the achievement of certain performance goals and are intended to qualify as qualified performance-based compensation under Section 162(m) of the Code, the Compensation Committee will base a performance goal on one or more of the following performance criteria, which may be applied to the performance of the Company or any of its affiliates, or any business unit of the Company or any of its affiliates:

- net revenue and/or net revenue growth;
- earnings before income taxes and amortization and/or earnings before income taxes and amortization growth;
- operating income and/or operating income growth;
- net income and/or net income growth;
- cash flow, operating income, or net income margins
- earnings per share and/or earnings per share growth;
- total shareholder return and/or total shareholder return growth;
- return on equity;
- operating or free cash flow;
- economic value added;
- return on invested capital; and
- individual confidential business objectives.

The Compensation Committee, in its discretion, may, to the extent consistent with, and within the time prescribed by, Section 162(m) of the Code, provide for the appropriate adjustments or modifications of the performance goals for a performance period to reflect any objectively determinable component of a performance goal, including foreign exchange gains and losses, asset write downs, acquisitions and divestitures, change in fiscal year, unbudgeted capital expenditures, special charges such as restructuring or impairment charges, debt refinancing costs, extraordinary or noncash items, unusual, infrequently occurring, nonrecurring or one-time events affecting the Company or its financial statements or changes in law or accounting principles.

Amendment and Termination. The Compensation Committee may at any time amend or modify the 2017 Plan in any or all respects, except that (i) any such amendment or modification may not adversely affect the rights of any holder of an award previously granted under the 2017 Plan unless such holder consents and (ii) grants to non-employee directors may not be amended at intervals more frequently than once every six months, other than to the extent necessary to comply with applicable U.S. income tax laws and regulations. The Compensation Committee may terminate the 2017 Plan at any time. However, without the approval of our shareholders and except as described below under "Adjustments", the Compensation Committee may not:

- amend the 2017 Plan to materially increase the maximum number of ordinary shares issuable under the 2017 Plan or the maximum number of ordinary shares for which any plan participant may be granted awards;
- materially modify the eligibility requirements for participation in the 2017 Plan; or
- materially increase the benefits accruing to participants in the 2017 Plan.

Further, the Compensation Committee may not amend the 2017 Plan in any manner that requires shareholder approval under Nasdaq or other stock exchange listing requirements applicable to the Company.

Dividends. No dividends may be paid to a plan participant with respect to an award prior to the vesting of such award. An award may provide for dividends or dividend equivalents to accrue on behalf of a participant as of each dividend payment date during the period between the date the award is granted and the date the award is exercised, vested, expired, credited or paid, and to be converted to vested cash or shares at the same time and subject to the same vesting conditions that apply to the shares to which such dividends or dividend equivalents relate.

Adjustments. The Compensation Committee shall make certain adjustments to the 2017 Plan and to the outstanding awards under the 2017 Plan in the event of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares, spin-off, extraordinary cash dividend or other change affecting the outstanding ordinary shares as a class without the Company's receipt of consideration. In the event of such a change, appropriate adjustments will be made to:

- the maximum number and/or class of securities issuable under the 2017 Plan;
- the maximum number and/or class of securities for which any participant may be granted awards under the terms of the 2017 Plan or that may be granted generally under the terms of the 2017 Plan; and
- the number and/or class of securities and price per ordinary share in effect under each outstanding award.

Any such adjustments to the outstanding awards will generally be effected in a manner as to preclude the enlargement or dilution of rights and benefits under such awards. However, in no event will fractions of an ordinary share be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding down as appropriate.

Acceleration. Unless otherwise provided in the applicable award agreement or other agreement between the Company and the participant, in the event of a change of control of the Company (as defined in the 2017 Plan) in which the participant's awards are not converted, assumed, or replaced by a successor or survivor corporation, or a parent or subsidiary thereof, then such awards will automatically vest and become fully exercisable and all forfeiture restrictions on such awards will lapse immediately prior to the change of control and, following the consummation of such a change of control, all such awards will terminate and cease to be outstanding.

Where awards are assumed or continued after a change of control, the Compensation Committee may provide that one or more awards will automatically accelerate upon an involuntary termination of service (as defined in the 2017 Plan, which includes termination of service for good reason) within a designated period (not to exceed eighteen (18) months) following the effective date of such change of control. If the Compensation Committee so determines, any such award will, immediately upon an involuntary termination of service following a change of control, become fully exercisable and all forfeiture restrictions on such award will lapse.

Compliance with Section 409A of the Internal Revenue Code. To the extent applicable, it is intended that the 2017 Plan and any grants made under the 2017 Plan will comply with or be exempt from the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the participants. The 2017 Plan and any grants made under the 2017 Plan will be administered and interpreted in a manner consistent with this intent.

In general, awards granted under the 2017 Plan may not be transferred in any manner other than by will or by the laws of descent and distribution. Awards may be transferred to family members through a gift or domestic relations order. Subject to applicable laws, certain option holders who reside outside of the United States and Singapore may assign their awards to financial institutions located outside of the United States and Singapore.

Withholding Taxes. The Company or any affiliate of the Company, as appropriate, may deduct or withhold, or require a participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state and local taxes and any taxes imposed by jurisdictions outside of the United States (including income tax, social insurance contributions, payment on account and any other taxes that may be due) required by law to be withheld with respect to any taxable event concerning a participant arising as a result of the 2017 Plan. In addition, the Company or any affiliate of the Company may take any action as may be necessary in its opinion to satisfy withholding obligations for the payment of taxes by any means authorized by the Compensation Committee. No ordinary shares will be delivered under the 2017 Plan to any participant or other person until the participant or such other person has made arrangements acceptable to the Compensation Committee for the satisfaction of applicable tax obligations arising as a result of awards made under the 2017 Plan.

U.S. Federal Income Tax Consequences

The following is a general summary as of the date of this proxy statement of the United States federal income tax consequences to the Company and the directors, officers and employees participating in the 2017 Plan. Tax laws may change and the federal, state and local tax consequences for any participating employee will depend upon his or her individual circumstances. In addition, the following discussion does not purport to describe state or local income tax consequences in the United States, nor tax consequences for participants who are subject to tax in other countries. The following general description does not constitute tax advice and should not be relied upon as such. Each participating employee has been and is encouraged to seek the advice of a qualified tax adviser regarding the tax consequences of participation in the 2017 Plan.

- *Nonqualified Stock Options.* A participant will generally not recognize any taxable income upon the grant of a nonqualified stock option and the Company will not receive a deduction at the time of such grant. Upon exercise of a nonqualified stock option, the participant generally will realize ordinary income in an amount equal to the excess of the fair market value of the ordinary shares on the date of exercise over the exercise price, and the Company will generally be allowed a deduction equal to the amount recognized by the participant as ordinary income. The participant's tax basis in the shares received will be equal to the exercise price plus the amount recognized as ordinary income. Upon a subsequent sale of such shares, the participant will recognize capital gain or loss.

- *Incentive Stock Options.* No taxable income is recognized by a participant at the time of grant of an incentive stock option, and no taxable income is generally recognized at the time the option is exercised. (However, the excess of the fair market value of the ordinary shares received upon exercise over the option exercise price is an item of tax preference income which may be subject to the alternative minimum tax.) Instead, the participant will recognize taxable income in the year in which the acquired shares are sold or otherwise disposed of. If the sale or other disposition is made after the participant has held the shares for more than two years after the option grant date and more than one year after the date on which the shares are transferred to the participant (referred to as a "qualifying disposition") pursuant to the option's exercise, any gain or loss, generally measured by the difference between the amount realized on the sale of shares and the option exercise price, will be treated as long-term capital gain or loss. However, if either of these two holding period requirements is not satisfied (referred to as a "disqualifying disposition"), then upon the disqualifying disposition, the participant generally recognizes ordinary income in the amount of the lesser of (i) the difference between the fair market value of the shares at the time of the option's exercise and the option's exercise price, or (ii) the difference between the amount realized on the sale and the option's exercise price. Any ordinary income recognized is added to the participant's basis for purposes of determining any additional gain on the sale and any such additional gain will be capital gain. If the participant makes a disqualifying disposition of the acquired shares, we may be entitled to a deduction from our U.S. taxable income for the taxable year in which such disposition occurs, equal to the amount of ordinary income the participant recognizes. In no other instance will we be allowed a deduction with respect to the participant's disposition of the acquired shares.
- *Share Appreciation Rights.* The grant of a share appreciation right will generally not create any tax consequences for the participant or the Company. Upon the exercise of a share appreciation right, the participant will recognize ordinary income in an amount equal to the cash or fair market value of the ordinary shares received from the exercise. The participant's tax basis in any ordinary shares received upon the exercise of the share appreciation right will be equal to the ordinary income recognized with respect to the shares. Upon disposition of the shares, the participant will recognize capital gain or loss equal to the difference between the amount realized and his or her basis in the shares. Upon the exercise of a share appreciation right, the Company generally will be entitled to a deduction in the amount of the compensation income recognized by the participant.
- *Restricted Share Units, Performance Share Units and Performance Share Awards.* In general, a participant will not recognize income with respect to restricted share unit awards, performance share unit awards or performance share awards until there is a settlement of the award. On that date, the participant will recognize ordinary income in an amount equal to the cash or fair market value of the ordinary shares received. The participant's tax basis in any shares received is the amount included in his or her income, and the participant's holding period in the shares commences on the day after receipt of the shares. Upon disposition of the shares, the participant will recognize capital gain or loss equal to the difference between the amount realized and his or her basis in the shares. The Company will generally be entitled to a deduction equal to the amount included in the participant's ordinary income in the year in which such amount is recognized by the participant, except to the extent the deduction is limited by Section 162(m) of the Code.

Section 162(m). Any United States income tax deductions that would otherwise be available to us may be subject to a number of restrictions under the Code, including Section 162(m), which, under guidance issued by the Internal Revenue Service, can limit the deduction for compensation paid to our Chief Executive Officer and our three most highly compensated executive officers other than our Chief Executive Officer and our Principal Financial Officer.

2017 Plan New Benefits. The number of shares to be issued under the 2017 Plan to participants in the plan, including eligible employees, executive officers and non-employee directors of the Company, and the net values to be realized upon such issuances, are discretionary, and therefore, not determinable.

The Board recommends a vote "FOR" the resolution to approve the adoption of the Flex Ltd. 2017 Equity Incentive Plan.

PROPOSAL NO. 7: ORDINARY RESOLUTION TO RENEW THE SHARE PURCHASE MANDATE

Our purchases or acquisitions of our ordinary shares must be made in accordance with, and in the manner prescribed by, the Singapore Companies Act, the applicable listing rules of Nasdaq and such other laws and regulations as may apply from time to time.

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

Although our shareholders approved a renewal of the Share Purchase Mandate at the annual general meeting of shareholders held in 2016, the Share Purchase Mandate renewed at the annual general meeting will expire on the date of the 2017 annual general meeting. Accordingly, we are submitting this proposal to seek approval from our shareholders at the annual general meeting for another renewal of the Share Purchase Mandate. Pursuant to the Singapore Companies Act, share repurchases under our share repurchase plans were subject to an aggregate limit of 20% of our issued ordinary shares outstanding as of the date of the annual general meeting held on August 24, 2016. On August 24, 2016, the Board authorized the repurchase of up to an aggregate of $500 million of ordinary shares of the Company. Until the 2017 annual general meeting, any repurchases would be made under the Share Purchase Mandate renewed at the annual general meeting held in 2016. Commencing on the date of the 2017 annual general meeting, any repurchases may only be made if the shareholders approve the renewal of the Share Purchase Mandate at the annual general meeting. The share purchase program does not obligate the Company to repurchase any specific number of shares and may be suspended or terminated at any time without prior notice.

If renewed by shareholders at the annual general meeting, the authority conferred by the Share Purchase Mandate will, unless varied or revoked by our shareholders at a general meeting, continue in force until the earlier of the date of the 2018 annual general meeting or the date by which the 2018 annual general meeting is required by law to be held. The 2018 annual general meeting is required to be held 15 months after the date of the 2017 annual general meeting or six months after the date of our 2018 fiscal year end, whichever is earlier (except that Singapore law allows for a one-time application for an extension of up to a maximum of two months to be made with the Singapore Accounting and Corporate Regulatory Authority).

The authority and limitations placed on our share purchases or acquisitions under the proposed Share Purchase Mandate, if renewed at the annual general meeting, are summarized below.

Limit on Allowed Purchases

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

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

Purely for illustrative purposes, on the basis of 531,607,660 issued ordinary shares outstanding as of June 16, 2017, and assuming no additional ordinary shares are issued or repurchased on or prior to the date of the annual general meeting, based on the prevailing 20% limit, we would be able to purchase not more than 106,321,532 issued ordinary shares pursuant to the proposed renewal of the Share Purchase Mandate.

During fiscal year 2017, we repurchased approximately 25 million shares for an aggregate purchase value of approximately $346 million under the Share Purchase Mandate and retired all of these shares. As of June 16, 2017, we had 531,607,660 shares outstanding.

Duration of Share Purchase Mandate

Purchases or acquisitions of ordinary shares may be made, at any time and from time to time, on and from the date of approval of the Share Purchase Mandate up to the earlier of:

- the date on which our next annual general meeting is held or required by law to be held; or
- the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by our shareholders at a general meeting.

Manner of Purchases or Acquisitions of Ordinary Shares

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

- market purchases on Nasdaq or any other stock exchange on which our ordinary shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by us for that purpose; and/or
- off-market purchases (if effected other than on Nasdaq or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted), in accordance with an equal access scheme as prescribed by the Singapore Companies Act.

If we decide to purchase or acquire our ordinary shares in accordance with an equal access scheme, our directors may impose any terms and conditions as they see fit and as are in our interests, so long as the terms are consistent with the Share Purchase Mandate, the applicable rules of Nasdaq, the provisions of the Singapore Companies Act and other applicable laws. In addition, an equal access scheme must satisfy all of the following conditions:

- offers for the purchase or acquisition of ordinary shares must be made to every person who holds ordinary shares to purchase or acquire the same percentage of their ordinary shares;
- all of those persons must be given a reasonable opportunity to accept the offers made; and
- the terms of all of the offers must be the same (except differences in consideration that result from offers relating to ordinary shares with different accrued dividend entitlements and differences in the offers solely to ensure that each person is left with a whole number of ordinary shares).

Purchase Price

The maximum purchase price (excluding brokerage commission, applicable goods and services tax and other related expenses of the purchase or acquisition) to be paid for each ordinary share will be determined by our directors. The maximum purchase price to be paid for the ordinary shares as determined by our directors must not exceed:

- in the case of a market purchase, the highest independent bid or the last independent transaction price, whichever is higher, of our ordinary shares quoted or reported on Nasdaq or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted, or shall not exceed any volume weighted average price, or other price determined under any pricing mechanism, permitted under SEC Rule 10b-18, at the time the purchase is effected; and

- in the case of an off-market purchase pursuant to an equal access scheme, 150% of the “Prior Day Close Price” of our ordinary shares, which means the closing price of an ordinary share as quoted on Nasdaq or, as the case may be, any other stock exchange on which our ordinary shares may for the time being be listed and quoted, on the day immediately preceding the date on which we announce our intention to make an offer for the purchase or acquisition of our ordinary shares from holders of our ordinary shares, stating therein the purchase price (which shall not be more than the maximum purchase price calculated on the foregoing basis) for each ordinary share and the relevant terms of the equal access scheme for effecting the off-market purchase.

Treasury Shares

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

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

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

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

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

Sources of Funds

Only funds legally available for purchasing or acquiring ordinary shares in accordance with our Constitution and the applicable laws of Singapore shall be used. We intend to use our internal sources of funds and/or borrowed funds to finance any purchase or acquisition of our ordinary shares. Our directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially affect our working capital requirements.

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

12 months immediately after the date of the payment; and (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

Status of Purchased or Acquired Ordinary Shares

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

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

Financial Effects

Our net tangible assets and the consolidated net tangible assets of our subsidiaries will be reduced by the purchase price (including any expenses) of any ordinary shares purchased or acquired and cancelled or held as treasury shares. We do not anticipate that the purchase or acquisition of our ordinary shares in accordance with the Share Purchase Mandate would have a material impact on our consolidated financial condition and cash flows.

The financial effects on us and our group (including our subsidiaries) arising from purchases or acquisitions of ordinary shares which may be made pursuant to the Share Purchase Mandate will depend on, among other things, whether the ordinary shares are purchased or acquired out of our profits and/or capital, the number of ordinary shares purchased or acquired, the price paid for the ordinary shares and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

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

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

Rationale for the Share Purchase Mandate

We believe that a renewal of the Share Purchase Mandate at the annual general meeting will benefit our shareholders by providing our directors with appropriate flexibility to repurchase ordinary shares if the directors believe that such repurchases would be in the best interests of our shareholders. Our decision to repurchase our ordinary shares from time to time will depend on our continuing assessment of then-current market conditions, our need to use available cash to finance acquisitions and other strategic transactions, the level of our debt and the terms and availability of financing.

Take-Over Implications

If, as a result of our purchase or acquisition of our issued ordinary shares, a shareholder's proportionate interest in the Company's voting capital increases, such increase will be treated as an acquisition for the purposes of The Singapore Code on Take-overs and Mergers. If such increase results in a change of effective control, or, as a result of such increase, a shareholder or a group of shareholders acting in concert obtains or consolidates effective control of the Company, such shareholder or group of shareholders acting in concert with a director could become obliged to make a take-over offer for the Company under Rule 14 of The Singapore Code on Take-overs and Mergers.

The circumstances under which shareholders (including directors and persons acting in concert with them respectively) will incur an obligation to make a take-over offer are set forth in Rule 14 of The Singapore Code on Take-overs and Mergers, Appendix 2. The effect of Appendix 2 is that, unless exempted, shareholders will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring our issued ordinary shares, the voting rights of such shareholders would increase to 30% or more, or if such shareholders hold between 30% and 50% of our voting rights, the voting rights of such shareholders would increase by more than 1% in any period of six months. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under The Singapore Code on Take-overs and Mergers as a result of any share purchase by us should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.

The Board recommends a vote “FOR” the resolution to approve the proposed renewal of the Share Purchase Mandate.

PROPOSAL NO. 8: ORDINARY RESOLUTION TO APPROVE CHANGES TO THE CASH COMPENSATION PAYABLE TO OUR NON-EMPLOYEE DIRECTORS

In 2017, assisted by Mercer, the Nominating and Corporate Governance Committee of our Board of Directors conducted a review of our non-employee director compensation program. This review was conducted to establish whether the compensation paid to our non-employee directors was competitive when compared to the practices of our established peer group of companies, which is discussed in the section below captioned *"Compensation Discussion and Analysis."* The Nominating and Corporate Governance Committee reviewed, among other things, the existing cash compensation of our non-employee directors, the grant date fair value of restricted share unit awards, the total compensation of our non-executive Chairman of the Board and the aggregate number of our ordinary shares held by each of our non-employee directors. The Nominating and Corporate Governance Committee, with the assistance of Mercer, also took into consideration compensation trends for outside directors.

Based on this review and analysis, our Nominating and Corporate Governance Committee recommended and our Board approved, subject to shareholder approval of this Proposal No. 8, an increase in the annual retainer for Board service and increases in the additional annual retainers for the chairmen of each of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. Under the Companies Act, we may only provide cash compensation to our directors for services rendered in their capacity as directors with the prior approval from the Company's shareholders at a general meeting. We believe that it is advisable and in the best interests of our shareholders for our shareholders to authorize the Company to:

- increase from $85,000 to $90,000 the annual cash compensation payable to each of Flex's non-employee directors for services rendered as a director;
- increase from $35,000 to $40,000 the additional annual cash compensation payable to the Chairman of the Audit Committee for services rendered as Chairman of the Audit Committee;
- increase from $35,000 to $40,000 the additional annual cash compensation payable to the Chairman of the Compensation Committee for services rendered as Chairman of the Compensation Committee; and
- increase from $7,000 to $15,000 the additional annual cash compensation payable to the Chairman of the Nominating and Corporate Governance Committee for services rendered as Chairman of the Nominating and Corporate Governance Committee.

We believe that the authorization being sought by this proposal will benefit our shareholders by enabling the Company to attract and retain qualified individuals to serve on our Board of Directors and as the Chairman of the Board and to continue to provide leadership for the Company with the goal of enhancing long-term value for our shareholders. The current cash compensation arrangements for our non-employee directors were previously approved by our shareholders at our 2009, 2011 and 2014 annual general meetings.

In addition, our Nominating and Corporate Governance Committee recommended and our Board approved the following changes to the compensation of our non-employee directors, which changes do not require the approval of our shareholders under Singapore law and for which we are not seeking shareholder approval pursuant to this Proposal No. 8:

- decrease from $100,000 to $50,000 the additional annual cash compensation payable to the Chairman of the Board for services rendered as Chairman of the Board. While the shareholders had previously approved annual additional cash compensation of $100,000 to the Chairman of the Board, the lower amount of $50,000 in additional cash compensation will be paid to the Chairman of the Board going forward on an annual basis. Additionally, a decrease from $100,000 to $50,000 in the fair market value of the yearly restricted share unit award granted to the Chairman of the Board was also approved; and

- an increase from $175,000 to $185,000 in the fair market value of the yearly restricted share unit award granted to our non-employee directors.

The yearly restricted share unit awards granted to our non-employee directors (including the Chairman of the Board) are provided in recognition of the contributions made by the non-employee directors to the company.

This proposal, if passed, is without prejudice to the standing authority approved by our shareholders on July 29, 2013 which allows each non-employee Directors to elect whether to receive his fees in either cash, shares or a combination thereof.

In addition, this proposal, if passed, is without prejudice to the cash compensation payable to directors (including each committee chairman) for participation on committees previously approved by our shareholders.

For additional information about the cash and equity compensation paid to our non-employee directors and our Chairman of the Board of Directors, including compensation paid for the fiscal year ended March 31, 2017, please see the section entitled *"Non-Management Directors' Compensation for Fiscal Year 2017"* on page 16.

The Board recommends a vote "FOR" the resolution to approve the changes to the cash compensation payable to our non-employee directors.

PART III—ADDITIONAL INFORMATION

EXECUTIVE OFFICERS

The names, ages and positions of our executive officers as of June 16, 2017 are as follows:

Name	Age	Position
Michael M. McNamara	60	Chief Executive Officer
Christopher E. Collier	49	Chief Financial Officer
Francois P. Barbier	58	President, Global Operations and Components
Scott Offer	52	Executive Vice President and General Counsel
Paul J. Humphries	62	President, High Reliability Solutions
David P. Bennett	47	Chief Accounting Officer

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

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

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

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

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

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

COMPENSATION COMMITTEE REPORT

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

The Compensation Committee of the Board of Directors of the Company has reviewed and discussed with management the Compensation Discussion and Analysis that follows this report. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement for the 2017 annual general meeting of shareholders.

Submitted by the Compensation Committee of the Board of Directors:

Daniel H. Schulman
Michael D. Capellas
Willy C. Shih, Ph.D.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this Compensation Discussion and Analysis (CD&A) section, we discuss the material elements of our compensation programs and policies, including our overall compensation philosophy, program objectives and how and why the Compensation Committee of our Board arrived at specific compensation policies and decisions involving our Named Executive Officers (NEOs). The fiscal year 2017 compensation of our NEOs is provided in the Summary Compensation Table and other compensation tables in this Proxy Statement. These officers and their titles as of the end of fiscal year 2017 are:

Name	Position
Michael M. McNamara	Chief Executive Officer
Christopher Collier	Chief Financial Officer
Francois P. Barbier	President, Global Operations and Components
Paul Humphries	President, High Reliability Solutions
Scott Offer(1)	Executive Vice President and General Counsel

(1) Mr. Offer became Executive Vice President and General Counsel in September 2016.

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

- Executive Summary;
- Compensation Philosophy;
- Compensation Setting Process and Decisions for Fiscal Year 2017; and
- Fiscal Year 2017 Executive Compensation

Executive Summary

Business Overview

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

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

Segment	Product Categories
Consumer Technologies Group (CTG)	• Consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion and mobile devices; • Various supply chain solutions for notebook personal computers (“PC”), tablets, and printers; and • Expanding our business relationships to include supply chain optimization for non-electronics products such as footwear and clothing.
Industrial and Emerging Industries (IEI)	• Energy and metering, semiconductor tools and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks and lighting.
High Reliability Solutions (HRS)	• Medical business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; • Automotive business, including vehicle electrification, connectivity, autonomous vehicles and clean technologies; and • Defense and aerospace business, focused on commercial aviation, defense and military.

In fiscal year 2017, we continued our multi-year reorganization and rebalancing of our business portfolio in order to align with our customers’ needs and requirements as part of an effort to optimize operating results with a focus on improving profit margins and generating sustainable free cash flow and strong returns on invested capital. We continued to shift our long-term portfolio towards a mix of businesses which possess longer product life cycles and higher margins, such as our IEI and HRS businesses. We also continued to move away from customer solutions that have more short-term volatility and lower margins. This business transformation positions us to meet specific customers’ supply chain solutions needs across all of the markets we serve, yield margin improvement, and earn a return on our invested capital above the weighted-average cost of that capital. We are also improving our ability to take advantage of the long-term, future growth prospects for outsourcing of advanced manufacturing capabilities, design and engineering services, and after-market services. Another aspect of our business transformation strategy has been to make targeted investments in technologies and businesses that are complementary to our core business but that represent high growth opportunities with attractive profit margins. For example, in fiscal year 2017, we made targeted investments in our Flex Innovation Labs, Lab IX portfolio companies, our strategic partnership with Nike, and Elementum business that we believe will yield strong long-term results for Flex. The shift away from certain parts of our business limited our short-term top-line revenue growth and created negative year-over-year comparisons on some financial metrics such as revenue, though it places us in a better position to capitalize on long-term revenue growth and enhanced returns on investment and cash flow.

Performance Highlights For Fiscal Year 2017

We delivered strong fiscal year 2017 operating results and continued to execute our business transformation and deliver on our commitment to return value to shareholders. We generated TSR of nearly 40%, which put us in the top 15% of all companies in the S&P 500. Our 3-year TSR was 82%, which was in the top decile of all firms in the S&P 500. We achieved these results in a global economic environment that continued to face a high degree of uncertainty due to macro-economic factors such as ongoing growth challenges in Europe, concerns of a slowdown in Chinese growth, and political and interest rate uncertainty. Internally, we continued on our business transformation journey during fiscal year 2017 through which we are reorganizing and rebalancing our business portfolio. As a result of an improved cost structure and our strategic business transformation, we delivered solid operating results in fiscal year 2017 and executed on key strategic priorities, including growing our capabilities such as the Flex Innovation Labs, Lab IX, and *Sketch-to-Scale*tm, and our strategic partnerships with Nike and

Elementum, to expand our innovative offerings. Areas where we saw year-over-year declines mainly represent intentional strategic shifts as a result of our business transformation activities. Highlights[(3)] include:

- We reported net sales of $23.9 billion, a decrease of 2% compared to the prior year.
- Grew adjusted operating profit to $815.2 million, a 3% increase over fiscal year 2016.
- Delivered Adjusted Earnings Per Share (EPS) of $1.17 per share, a 3% increase over the prior year.
- Adjusted gross profit totaled $1.7 billion, an increase of 4% compared to the prior year.
- Adjusted gross margin increased to 7.0% of net sales in fiscal year 2017, compared with 6.6% of net sales in fiscal year 2016.
- Generated operating cash flows of $1.1 billion during the year. The strong cash flow generated from our operations enabled us to return value to shareholders with the repurchase of $349.5 million of our shares paid in fiscal year 2017.
- Increased free cash flow to $660.4 million which was up 3% over the prior year and within our communicated range of $600 to $700 million annually.
- We had some less favorable year-over-year financial result comparisons due to our ongoing business transformation, though these actions are positioning the Company for enhanced future results.

In addition to the above results, our stock price increased by nearly 40% from $12.06 at the end of fiscal year 2016 to $16.80 at the end of fiscal year 2017. This translates into a 1-year TSR of nearly 40% and Flex's 3-year TSR is 82%, which has generated significant value for shareholders and represents results that are in the upper 15% of S&P 500 firms over the same time periods. We believe this above market performance is the result of having articulated a value-creating strategy and delivering against that strategy.

Pay and Performance Alignment For Fiscal Year 2017

As noted above, we delivered strong operating results and shareholder returns during fiscal year 2017. However, given Flex's aggressive operating result goal-setting, our final financial performance was somewhat below our targeted levels. Our compensation philosophy is to reward above-target performance when achieved, and pay zero or below target when favorable results are not delivered. In line with our fiscal year 2017 performance, Flex's NEOs earned short-term incentive awards that recognize our strong financial performance, as well as the fact that we did not fully achieve our targeted performance goals. Highlights include the following:

- Maintained the CEO's base salary with no increase, positioned approximately at the peer median.
- Provided modest base salary increases of less than 4.0% to other NEOs, though overall salary positioning continued to be approximately at our peer group median.
- The CEO and most other NEOs earned a below-target short-term incentive payout of 78.8% of target due to our aggressive internal performance goals.
- Paid out the long-term performance share unit cycle during fiscal year 2017 at 193% of target in May 2016 based upon TSR results that were above target and exceeded market levels over the performance cycle from fiscal year 2014 through fiscal year 2017. The Flex three year free cash flow (FCF) performance share unit cycle paid out at 94.6%, reflecting Flex's more aggressive operating targets.
- Funded the NEOs' deferred compensation plans with a value that averaged 26.4% of our NEOs' respective base salaries based on fiscal year 2017 results.

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

- Continued to use fiscal year 2017 long-term incentive grants that balance relative TSR performance share units (PSUs) with a long-term incentive plan (LTIP) that measures cumulative FCF over a multi-year period (from fiscal year 2017 through fiscal year 2019).
- Granted modest Elementum profits interests unit value awards to certain executives who continue to make significant contributions to our Elementum business (*see details in the Fiscal Year 2017 Compensation section below*).

Prior Say on Pay Advisory Vote Results and Shareholder Engagement

In the normal course of Flex's business, we have communications with shareholders about both our business and our executive compensation programs. During fiscal year 2017, we interacted with holders of over approximately 70% of our share voting power. We also provided shareholders with a "say on pay" advisory vote on executive compensation at our 2016 Annual General Meeting held on August 24, 2016. The advisory vote received the support of approximately 79% of the votes cast at the General Meeting. In the two prior years, Flex had received say on pay votes that exceeded 90% support for the compensation approach. The decline in the 2016 say on pay vote was driven primarily by an "against" vote by a single major shareholder. Based on our direct discussions with this shareholder, we continue to believe that theunderlying structure and implementation of our executive compensation program is sound and provides proper pay for performance alignment. We have been asked to more tightly manage our overall share grant levels relative to performance delivered, which we have been and will continue to do (see *Responsible Share Usage* section below). Outside of the points noted above, we believe the level of support at our 2016 Annual General Meeting reflects ongoing institutional shareholder outreach efforts and the continuing efforts to align our executive compensation with shareholder interests. As detailed elsewhere in this proxy statement, we are also seeking an advisory shareholder vote regarding the frequency of advisory shareholder votes to approve executive compensation and our Board is recommending a vote in favor of continuing to conduct annual shareholder votes to approve executive compensation. Based on the favorable prior say on pay results, shareholder feedback on existing programs, and our review of the alignment of the pay program design with business results, we continued the structure of our fiscal year 2016 compensation programs in fiscal year 2017.

Impact of Business Performance on Fiscal Year 2017 Executive Compensation

As noted above, for fiscal year 2017, we delivered strong operating results, though we also set aggressive internal performance objectives, resulting in payment of our NEOs' at-risk short-term incentive compensation below target levels. With our strong multi-year shareholder returns, our fiscal year 2014—2017 performance share plan paid out near maximum at 193% of target, while Flex's FCF performance share unit cycle paid out at 94.6%, reflecting Flex's more aggressive operating targets. The Committee believes that the actual compensation earned by our NEOs is appropriate and consistent with our pay-for-performance philosophy. The table below describes the key elements of our executive compensation program and the key actions taken by the Compensation Committee with respect to the compensation of the NEOs for fiscal year 2017:

Pay Component	Description	Fiscal Year 2017 Considerations
Base Salary	• Annual fixed cash component based on individual performance, level of experience and expected future performance and contributions to the Company.	• Maintained the CEO's base salary with no increase, which approximates peer median. • Provided modest increases of less than 4.0% for other NEOs, where overall salary positioning continued to approximate peer median.

Pay Component	Description	Fiscal Year 2017 Considerations
Short-Term Cash Incentives	• Variable cash awards based on achievement of annual objectives based on pre-established financial performance goals related to the Company and business unit with 50% of the payouts based on achievement of quarterly targets and 50% based on achievement of annual targets.	• CEO payout earned, and that of most other NEOs, was 78.8% of target, reflecting operating performance that did not fully meet objectives.

Long-Term Incentive Programs	• Performance-based restricted share units which represent 25% (at target) of the total long-term incentive award are measured based upon the Company's total shareholder return versus that of the S&P 500.
	• Performance-based cash incentives (and, in the case of the CEO only, performance-based RSUs) which represent another 25% (at target) of the total long-term incentive award are measured based upon the Company's performance against a pre-established three-year FCF target.
	• Service-based restricted share units represent 50% of the total long-term incentive award and provide for vesting over a four-year period with 25% vesting each year.
	• Profits interests unit awards in the Elementum business that require a sale or IPO of the business at a level above the grant date valuation in order to generate value.
	• Long-term cash incentives under our Deferred Compensation Plan.
		• The fiscal year 2017 long-term incentive grants provide a balance of performance-based awards and long-term shareholder alignment.
		• The relative TSR PSUs create strong pay-for-performance alignment by measuring direct shareholder outcomes, while the FCF long-term incentive plan (LTIP) incents management to deliver stable free cash flow in order to enhance shareholder value.
		• Paid out the FY14-FY17 PSU awards that vested in May 2016 at 193% of target based on:
		  ◦ Flex TSR performance of 67% as compared to the S&P 500 since the grant date
		  ◦ Flex's TSR at the 71st percentile ranking as compared to the Extended EMS Group since the grant date
		• Paid out FCF performance share unit cycle at 94.6%, reflecting Flex's more aggressive operating targets.
		• Granted Elementum units with per-person values of $220,000 or less, with the grant date value to be deducted from the fiscal year 2018 equity grants for all participants.
		• Funded our Deferred Compensation Plan with a value that averaged about 26% of our NEOs' respective base salaries based on fiscal year 2016 results.

Compensation Philosophy

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

Element	Overview
Substantial Emphasis on At-Risk Compensation	• Programs are designed to link a substantial component of our executives' compensation to the achievement of pre-determined performance goals that directly correlate to the enhancement of shareholder value. • 91% of our CEO's target total direct compensation is either at risk or long-term, and an average of 84% of our other NEOs'(4) target total direct compensation is either at risk or long-term. • 100% of at risk or performance-based compensation is based on achievement of core financial metrics or is subject to market risk based on stock price performance, and is not based on individual performance.
Market-Based, Responsible Target Pay	• We regularly benchmark pay against a set of industry peers. • Base salaries are generally positioned at approximately the market median for our NEOs to manage fixed costs and emphasize paying for performance. • Overall target total direct compensation was positioned at approximately the 60th percentile for our NEOs in fiscal year 2017.
Balanced Performance Metrics and Measurement Time Frames	• With the rapid pace and dynamic nature of our business, it is necessary to actively measure short-term results across a range of metrics, though with progressively greater emphasis on long-term results for senior leaders. • We measure both quarterly and annual results for revenue, adjusted operating profit (OP), return on invested capital (ROIC), and adjusted earnings per share (EPS) because we believe these reinforce the need to achieve strong top line results, deliver profitability, and manage capital efficiently. • For our long-term incentive plans, we also measure multi-year free cash flow and TSR relative to the S&P 500.

Element	Overview
Majority Focus on Long-Term Performance	• While measurement of short-term results maintains day-to-day focus, we believe that shareholder value is built over the long-term. • As such, senior leaders are compensated through progressively greater emphasis on performance-based long-term incentives. • 74% of our CEO's fiscal year 2017 target total direct compensation was through long-term incentives, of which 53% is linked to achievement of long-term operating and TSR performance goals. • 66% of our other NEOs' (excluding Mr. Offer, who joined the company in fiscal year 2017) target total pay is in long-term incentives, of which 54% is linked to achievement of long-term operating and TSR performance goals. • We maintain share ownership guidelines to enforce alignment with shareholder results, and have recoupment policies in place.

Compensation Setting Process and Decisions for Fiscal Year 2017

Fiscal Year 2017 Corporate Governance Highlights

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

HIGHLIGHTS OF EXECUTIVE COMPENSATION PRACTICES	
What We Do	**What We Don't Do**
✓ Maintain a Compensation Committee comprised of completely independent members with a robust and independent review process.	✗ We do not provide employment agreements. None of our NEOs has an employment agreement.
✓ Use a pay-for-performance executive compensation model that focuses primarily on corporate performance with a significant portion of executive compensation at-risk and/or long-term.	✗ We do not allow hedging or short sales of Company equity, nor do we permit pledging of Company equity as collateral for loans.
✓ Target fixed compensation at our peer median and allow for greater levels of actual total direct compensation based on performance.	✗ We do not provide excessive or non-customary executive perquisites.
✓ Maintain a reasonable share burn rate. During fiscal year 2017, we granted option equivalents, based on the Company's fungible share ratio of 1.71:1, of approximately 2.1% of shares outstanding.	✗ We do not maintain a severance plan for our NEOs, whether or not in connection with a change in control.
✓ Maintain a clawback policy to recoup compensation paid to an executive officer in the event of a material restatement of financial results where a covered officer engaged in fraud or misconduct that caused the need for the restatement.	✗ We do not have single trigger accelerated vesting of equity awards upon a change in control.
✓ Retain an independent compensation advisor.	✗ We do not maintain a supplemental executive retirement plan (SERP).
✓ Consider shareholder advisory votes and views in determining executive compensation strategies.	✗ Our 2010 Equity Incentive Plan prohibits "share recycling" and options/SAR repricing (including cash buyouts).
✓ Maintain equity ownership guidelines for senior officers and Board Directors.	✗ We do not pay dividends or dividend equivalents on our unvested restricted share units.

Compensation Committee

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

Independent Consultants and Advisors

The Compensation Committee has the authority to retain and terminate any independent, third-party compensation consultants and to obtain advice and assistance from internal and external legal, accounting and other advisors. For fiscal year 2017, the Compensation Committee engaged Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (referred to in this discussion as Mercer) in connection with its fiscal year 2017 compensation review, as its independent advisers for certain executive compensation matters. Mercer was retained by the Compensation Committee to provide an independent review of the Company's executive compensation programs, including an analysis of both the competitive market and the design of the programs. More specifically, Mercer furnished the Compensation Committee with reports on peer company practices relating to the following matters: short and long-term compensation program design; annual share utilization and shareowner dilution levels resulting from equity plans; and executive share ownership and retention values. As part of its reports to the Compensation Committee, Mercer recommends our selected peer companies, and provides competitive compensation data and analysis relating to the compensation of our Chief Executive Officer and our other executives and senior officers. Mercer also assisted the Compensation Committee with its risk assessment of our compensation programs during fiscal year 2017.

Mercer is owned by Marsh & McLennan Companies, Inc., a multi-services global professional services firm providing advice and solutions in risk, strategy and human capital. For a discussion of amounts paid to Mercer for executive and director compensation consulting services and amounts paid to Marsh & McLennan Companies, Inc. and its affiliates for non-executive and non-director compensation consulting services, please see, "*Board Committees—Compensation Committee—Relationship with Compensation Consultants*." The Compensation Committee has determined that the provision by Marsh & McLennan Companies, Inc. of services unrelated to executive and director compensation matters in fiscal year 2017 was compatible with maintaining the objectivity of Mercer in its role as compensation consultant to the Compensation Committee and that the consulting advice it received from Mercer was not influenced by Marsh & McLennan Companies, Inc.'s other relationships with the Company. The Compensation Committee has retained Mercer as its independent compensation consultant for fiscal year 2018 and expects that it will continue to retain an independent compensation consultant on future executive compensation matters.

Role of Executive Officers in Compensation Decisions

The Compensation Committee makes recommendations to our Board on all compensation actions relating to our executive officers. As part of its process, the Compensation Committee meets with our Chief Executive Officer and other executives to obtain recommendations with respect to the structure of our compensation programs, as well as an assessment of the performance of individual executives and recommendations on compensation for individual executives. As discussed in greater detail below under "*Fiscal Year 2017 Executive Compensation—Incentive Bonus Plan*," our Chief Executive Officer and other executives develop recommendations for performance measures and target payout opportunities under our incentive bonus plan based on management's business forecast both at the Company and business unit levels, which are reviewed and approved by our Board.

Competitive Positioning

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

- Mercer constructed a peer group consisting of 18 companies based on targeting firms with a high degree of complexity in business scale and scope, as well as similar revenues, numbers of employees, and returns on invested capital.
- The Compensation Committee also takes into account Mercer's review of standardized surveys to check the Company's compensation programs against other large high technology and durable goods manufacturing firms to gain an understanding of general compensation practices.

Each year, the peer companies are recommended by the Compensation Committee's independent consultant and approved by the Compensation Committee. For the fiscal year 2017 peer group, one peer company, Motorola Solutions, Inc., was removed from the fiscal year 2016 peer group due to a significant divestiture which placed the firm outside of our targeted complexity scope. The peer group for fiscal year 2017 compensation decisions consisted of the following companies:

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

Fiscal Year 2017 Executive Compensation

Total Direct Compensation

Total direct compensation is the sum of base salary, annual incentive bonus payouts and long-term incentive awards, but excludes performance-based contributions to our deferred compensation plan. For the table below, the actual total direct compensation represents the actual bonus earned in each fiscal year plus the grant date fair value of the long-term incentive awards provided in each year (where realized long-term incentive values are subject to future performance conditions and share price movement). For fiscal year 2017, the actual total direct compensation for all NEOs is generally up over fiscal 2016. For the CEO, the fiscal year 2017 increase is 14.3%, driven primarily by increases in the target short-and long-term incentive awards as a result of alignment with our target pay strategy and in recognition of his continued leadership contributions and driving the development and execution of our business transformation. For Messrs. Collier, Barbier, and Humphries, the pay was up between 1.9% and 7.2%. These increases reflect the modest salary increases received, as well as some variation in bonus payouts and long-term incentive grant values. This change reflects our alignment of pay and performance, where the fiscal year 2017 financial performance was solid in the context of market conditions, though it fell short of internal expectations.

	Mr. McNamara	Mr. Collier	Mr. Barbier	Mr. Humphries
Actual Total Direct Compensation FY 2016 . . .	$11,988,961	$3,926,554	$3,908,316	$4,212,442
Actual Total Direct Compensation FY 2017 . . .	$13,704,137	$4,020,092	$3,981,047	$4,513,921
Percent change	14.3%	2.4%	1.9%	7.2%

Elements of Compensation

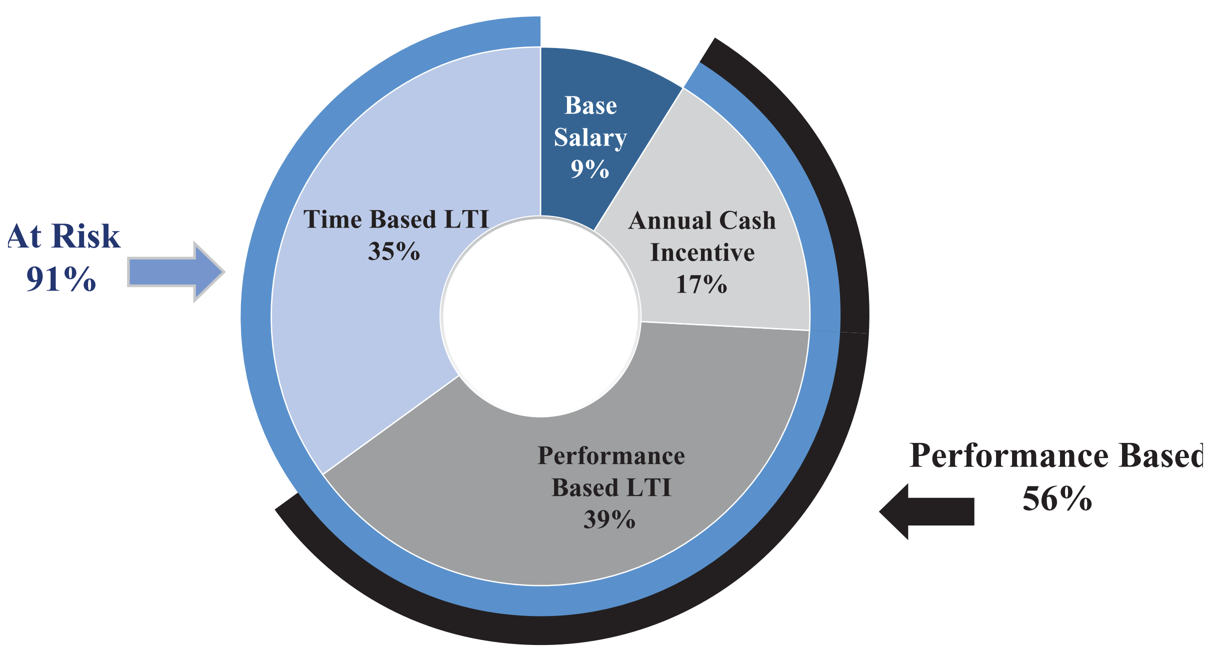
We allocate compensation among the following components for our NEOs:

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

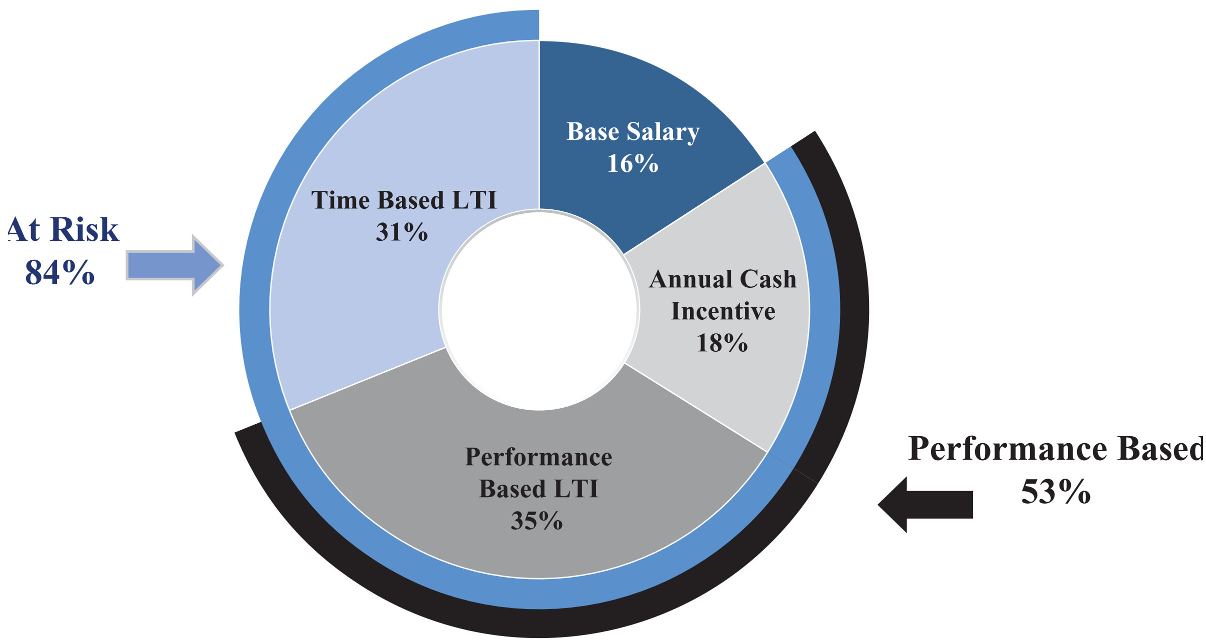
As discussed above, a key element of our compensation philosophy is that a significant portion of executive compensation is performance-based and therefore at-risk. A second key element of our compensation philosophy is that a significant portion of executive compensation is comprised of long-term components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

The following charts illustrate the mix of our compensation and show that for our Chief Executive Officer, 91% of total target direct compensation is either at-risk or long-term[(1)], and, overall for our other NEOs[(2)], 84% of total target direct compensation is either at-risk or long-term[(2)]:

2017 Target Total Direct Compensation
CEO Pay Mix



2017 Target Total Direct Compensation
Average NEO Pay Mix (non-CEO)



(1) Performance-based LTI evaluated using Monte Carlo methodology
(2) Scott Offer is excluded from the non-CEO pay mix chart due to his joining Flex in FY17

Base Salary Levels

The following table sets forth the base salaries of our NEOs in fiscal years 2016 and 2017, as well as the percentage increase (if any) from the prior year:

Name and Title	Base Salary for Fiscal Year 2016	Base Salary for Fiscal Year 2017	Percentage Increase	Peer Group Percentile Approximation
Michael M. McNamara Chief Executive Officer	$1,250,000	$1,250,000	0%	50th
Christopher Collier Chief Financial Officer	$675,000	$700,000	3.7%	25th – 50th
Francois P. Barbier President, Global Operations and Components	$695,000	$710,000	2.2%	25th – 50th
Paul Humphries President, High Reliability Solutions	$695,000	$710,000	2.2%	25th – 60th
Scott Offer Executive Vice President and General Counsel	$—	$550,000	N/A%	25th – 50th

For fiscal year 2017, we set our executives' base salaries at levels which are competitive with our peer companies based on each individual executive's role and the scope of his or her responsibilities, also taking into account the executive's experience and the base salary levels of other executives within the Company. Adjustments were modest, reflecting the fact that no individual changed roles significantly or was fundamentally misaligned with market. The Compensation Committee typically reviews base salaries every fiscal year and adjusts base salaries to take into account competitive market data, individual performance and promotions or changes in responsibilities. Overall salaries for our NEOs in fiscal year 2017 positioned our aggregate pay at approximately the median of our peer companies.

Incentive Bonus Plan

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

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

For fiscal year 2017, the Company's performance level with respect to the above performance metrics exceeded targeted amounts for some metrics and fell below targeted amounts against others (see table below). The overall corporate business results ended up below our aggressive performance objectives for the year, so payouts were also below target. For Mr. Humphries, performance results included outcomes from the High Reliability Solutions business which he manages, where performance levels exceeded targeted amounts for all metrics and delivered above-target payout levels. The payout levels are as follows:

Name	Fiscal Year 2017 Annual Incentive Bonus as a Percentage of Target Bonus	Fiscal Year 2017 Annual Incentive Bonus Target (Potential Bonus as a percentage of Base Salary)	Fiscal Year 2017 Annual Incentive Actual Bonus
Mr. McNamara	78.8%	200%	$1,969,700
Mr. Collier	78.8%	110%	$606,668
Mr. Barbier	78.8%	110%	$615,334
Mr. Humphries	144.7%	110%	$1,130,264
Mr. Offer	55.5%	80%	$244,077

Through our incentive bonus plan, we seek to provide pay for performance by linking incentive awards to Company and business unit performance. In designing the incentive bonus plan, our Chief Executive Officer and management team develop and recommend performance metrics and targets, which are reviewed and are subject to adjustment by the Compensation Committee and our Board. Performance metrics and payout levels are determined based on management's business forecast both at the Company and business unit levels, as reviewed and approved by the Board. In fiscal year 2017, target levels for performance were set at approximately the levels included in our business forecast. Maximum payout levels were tied to "stretch" levels of performance. As part of the process of setting performance targets, the Compensation Committee reviewed analyst consensus estimates for fiscal year 2017 and confirmed that target performance measures were appropriately aligned with such estimates. Performance measures were based on quarterly and annual targets.

The following table summarizes the key features of our fiscal year 2017 incentive bonus plan:

Feature	Component	Objectives
Performance Targets	• Based on key Company and business unit financial metrics • Measured on annual and quarterly basis — 50% based on achievement of quarterly objectives — 50% based on achievement of annual objectives	• Aligns executive incentives with Company and business unit performance • Rewards achievement of objectives over course of the year by splitting incentives over quarterly and annual performance objectives
Performance Measures	• Revenue growth at the Company and business unit level • Adjusted operating profit at the Company and business unit level • Return on invested capital and adjusted earnings per share targets at the Company level • Measurement level is based on each executive's respective responsibilities, with substantial weighting on business unit financial metrics for business unit executives • For Mr. Humphries, additional business unit performance measures were profit after interest percentage and new business wins	• Takes into account executive's responsibility, experience, and expected contributions • Focused on achievement of business performance metrics that directly correlate to business and shareholder value creation • Emphasizes pay for performance by linking individual compensation to Company and/or business unit performance • Promotes accountability by tying payout to achievement of minimum performance threshold
Bonus Payments	• Based entirely on achievement of financial performance objectives • No individual performance component • Target bonus opportunities set at percentage of base salary, based on executive's level of responsibility — Mr. McNamara's target bonus set at 200% of base salary — Mr. Collier's target bonus set at 110% of base salary — Target bonus for other NEOs set at a range between 80% and 110% of base salary • Quarterly bonuses range from 0% of target to maximum of 200% of target • Annual bonuses range from 50% of target to maximum of 300% of target • No payout awarded for any measure where Company or business unit failed to achieve threshold level for such measure	

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

The incentive bonus plan award opportunities for each NEO are shown in the Grants of Plan-Based Awards in Fiscal Year 2017 table in "Executive Compensation". In fiscal year 2017, the target incentive bonus awards were set at approximately the 60th percentile of our peer group for Mr. McNamara; at approximately the 75th percentile of our peer group for Mr. Collier; at between the 60th and 75th percentile of our peer group for Mr. Barbier; between the 25th and 50th percentiles of our peer group for Mr. Offer; and at approximately the 75th percentile of our peer group for Mr. Humphries.

Non-GAAP Adjustments

We used adjusted non-GAAP performance measures for our incentive bonus plan in fiscal year 2017. We used adjusted measures to eliminate the distorting effect of certain unusual income or expense items. The adjustments were intended to:

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

In calculating non-GAAP financial measures, we excluded certain items to facilitate a review of the comparability of the Company's operating performance on a period-to-period basis because such items are not, in the Compensation Committee's view, related to the Company's ongoing operational performance. The non-GAAP measures are used to evaluate more accurately the Company's operating performance, for calculating return on investment, and for benchmarking performance against competitors. For fiscal year 2017, non-GAAP adjustments consisted of excluding after-tax stock-based compensation expense, intangible amortization, charges related to the bankruptcy of SunEdison and restructuring charges. All adjustments are subject to approval by the Compensation Committee to ensure that payout levels are consistent with performance.

Incentive Awards for the CEO and CFO

Messrs. McNamara and Collier were each eligible for a bonus award based on achievement of quarterly and annual revenue growth, adjusted operating profit, ROIC and adjusted EPS targets. We refer to these performance measures as the "Company performance metrics." The weightings for each of these performance measures was 25%. Mr. McNamara's annual target bonus was 200% of base salary. Mr. McNamara's target percentage of base salary represented a 33% increase relative to fiscal year 2016. This change was made to recognize that our CEO has not received a salary increase in several years, and the move aligns with our goal of having greater emphasis on at-risk pay. The new bonus target provides total target cash at approximately the 60th percentile of our peer companies. Mr. Collier's bonus target as a percentage of base salary was set at 110% and resulted in total target cash between the 50th and 60th percentiles of our peer companies.

The following table sets forth the payout level opportunities that were available for Messrs. McNamara and Collier as a percentage of the target award for each performance measure based on different levels of performance. Revenue targets represented year over year annual growth targets of (-5.8)% at the 50% payout level, (-1.7)% at the 100% payout level, 4.4% at the 200% payout level, and 8.5% at the 300% payout level.

No payout is made if the threshold performance level is not achieved. Targets at the 300% level with respect to the annual bonus reflect sustained performance over the year that is considered to provide stretch targets. For performance levels between 50% and 300% presented in the table below, straight line interpolation was used to arrive at the payout level:

	Payout (% Target)			
Payout (% Target)	**50%**	**100%**	**200%**	**300%(1)**
Q1 Revenue (in millions)	$5,438.1	$5,674.5	$6,029.2	$6,653.6
Q1 Adjusted OP (in millions)	$176.1	$185.0	$200.6	$212.9
Q1 ROIC	20%	21%	22%	23%
Q1 Adjusted EPS	$0.24	$0.26	$0.28	$0.30
Q2 Revenue (in millions)	$5,733.9	$5,983.2	$6,357.1	$6,506.4
Q2 Adjusted OP (in millions)	$192.2	$202.0	$219.0	$232.4
Q2 ROIC	20%	21%	22%	23%
Q2 Adjusted EPS	$0.27	$0.29	$0.32	$0.34
Q3 Revenue (in millions)	$6,006.4	$6,267.5	$6,659.3	$6,765.4
Q3 Adjusted OP (in millions)	$218.5	$229.6	$248.9	$264.1
Q3 ROIC	20%	21%	22%	23%
Q3 Adjusted EPS	$0.34	$0.34	$0.37	$0.39
Q4 Revenue (in millions)	$5,821.6	$6,074.7	$6,454.4	$6,574.5
Q4 Adjusted OP (in millions)	$203.2	$213.5	$231.5	$245.6
Q4 ROIC	20%	21%	22%	23%
Q4 Adjusted EPS	$0.29	$0.31	$0.33	$0.37
FY’17 Revenue (in millions)	$23,000.0	$24,000.0	$25,500.0	$26,500.0
FY’17 Adjusted OP (in millions)	$790.0	$830.0	$900.0	$955.0
FY’17 ROIC	20%	21%	22%	23%
FY’17 Adjusted EPS	$1.14	$1.20	$1.30	$1.40

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

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

Period	**Revenue (in millions)**	**Payout Level %**	**Adjusted OP (in millions)**	**Payout Level %**	**ROIC**	**Payout Level %**	**Adjusted EPS**	**Payout Level %**	**Total Payout Level %**	**CEO Actual Payout % (as a % of Base Salary)**	**CFO Actual Payout % (as a % of Base Salary)**
Q1	$5,877	157.0%	$190	133.4%	21.6%	160.0%	$0.27	150.0%	150.1%	300.2%	165.1%
Q2	$6,009	106.8%	$197	74.2%	20.5%	74.0%	$0.28	75.0%	50.0%	100.0%	55.0%
Q3	$6,115	70.8%	$223	70.8%	20.0%	51.0%	$0.34	100.0%	73.1%	146.3%	80.5%
Q4	$5,863	58.1%	$205	58.8%	20.0%	52.0%	$0.29	50.0%	54.8%	109.7%	60.3%
FY’17 Annual Component	$23,863	93.1%	$815	81.6%	20.0%	52.0%	$1.17	75.0%	75.6%	151.1%	83.1%
FY’17 Total Payout	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	78.8%	157.6%	86.7%

Consistent with the Company's pay for performance approach, the Company recognized the performance against its operating plan in fiscal year 2017 and consequently the short-term incentive compensation total payout levels of our executives decreased this year over the prior year.

Payout levels (as a percentage of target) were in line with operational performance at 150.1% for the first quarter, 50.0% for the second quarter, 73.1% for the third quarter and 54.8% for the fourth quarter. For the annual component, the payout level (as a percentage of target) was 75.6%. The total annual bonus payout was 78.8% as a percentage of target, which represents 157.6% for Mr. McNamara and 86.7% for Mr. Collier as a percentage of base salary. Comparatively, in fiscal year 2016, incentive award payouts as a percentage of target were 81.3% of target for Messrs. McNamara and Collier.

Incentive Awards for NEOs other than the CEO and CFO

Mr. Barbier was eligible for a bonus award based on achievement of the quarterly and annual Company performance metrics, with the same weightings as Messrs. McNamara and Collier. Mr. Barbier's annual target bonus was 110% of base salary and resulted in total target cash approximately between the 50th and 60th percentiles of our peer group.

Mr. Offer was eligible for a bonus award based on achievement of the quarterly and annual Company performance metrics, with the same weightings as Messrs. McNamara and Collier. The annual target bonus was 80% of base salary and resulted in total target cash between the 25th and 50th percentiles of our peer group. Mr. Offer joined Flex on September 6, 2016 and was eligible a pro-rated bonus payment for the second quarter, as well as bonus payments for the third and fourth quarters, and an annual bonus payout.

Mr. Humphries was eligible for a bonus based on achievement of the quarterly and annual Company performance metrics (i.e., the performance measures that applied to Messrs. McNamara and Collier), as well as the business unit performance metrics of revenue, adjusted operating profit, profit after interest percentage and new business wins for our High Reliability Solutions business group. Mr. Humphries' annual target bonus was 110% of base salary and resulted in total target cash between the 60th and 75th percentiles of our peer group. Actual payout level opportunities ranged from 50% to 200% of target with respect to quarterly metrics and 50% to 300% of target for annual metrics. The weightings of the performance metrics for Mr. Humphries were 20% for the Company performance metrics and 80% for the business unit metrics. Certain business unit metrics were calculated on an adjusted non-GAAP basis consistent with the Company performance metrics. We treat the business unit performance measures as confidential. We set these measures at levels designed to motivate Mr. Humphries to achieve operating results at his business unit in alignment with our business strategy with payout opportunities at levels of difficulty consistent with our Company performance metrics.

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

Period	F. Barbier Payout (% Target)	F. Barbier Actual Payout % (as a % of Base Salary)	P. Humphries Payout (% of Target)	P. Humphries Actual Payout % (as a % of Base Salary)	S. Offer Payout (% of Target)	S. Offer Actual Payout % (as a % of Base Salary)
Q1	150.1%	165.1%	178.4%	196.3%	0.0%	0.0%
Q2	50.0%	55.0%	138.7%	152.6%	13.6%	10.9%
Q3	73.1%	80.5%	114.6%	126.1%	73.1%	58.5%
Q4	54.8%	60.3%	98.4%	108.2%	54.8%	43.9%
FY'17 Annual Component	75.6%	83.1%	156.9%	172.6%	75.6%	60.4%
FY'17 Total Payout	**78.8%**	**86.7%**	**144.7%**	**159.2%**	**55.5%**	**44.4%**

Bonuses under our annual incentive bonus plan are based upon the achievement of Company and business unit (in the cases of business unit executives) performance goals. Based on fiscal year 2017 operating performance, bonus payouts were at 55.5% of target for Mr. Offer, 78.8% of target for Mr. Barbier, and 144.7% of target for Mr. Humphries. Comparatively, in fiscal year 2016, bonus payouts as a percentage of target were 81.3% of target for Mr. Barbier, and 121.1% of target for Mr. Humphries.

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

Long-Term Share-and Cash-Based Incentive Compensation

Restricted Share Unit Awards

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

Free Cash Flow Long-Term Incentive Plan

In fiscal year 2017, the Compensation Committee determined that long-term incentive awards for executives and other senior officers generally would be allocated 50% to service-based restricted share unit awards, 25% to PSU awards that are earned based upon relative TSR performance versus the S&P 500, and 25% to a long-term incentive plan that measures Flex's cumulative free cash flow (FCF LTIP) over a three-year period from fiscal year 2017 to fiscal year 2019. The actual grant value mix may deviate somewhat from this due to fluctuations in the Monte Carlo valuations for the TSR-based performance shares. For the FCF LTIP, the awards are payable in shares for the CEO, so 50% of his long-term compensation is in the form of performance-based equity grants. For the other NEOs, the FCF LTIP is payable in cash. The Compensation Committee believes that this allocation promotes retention, serves to link long-term compensation to the Company's long-term performance and limits the dilutive effect of equity awards. In addition, the Committee believes that the balance of two different metrics in its long-term incentive plan, coupled with four different metrics within the annual incentive plan provides a beneficial balance of a focus on multiple metrics which contribute to shareholder value creation, and over different time periods. Key features of our long-term incentive awards are as follows:

- Performance-Based RSUs (PSUs): The awards granted in fiscal year 2017 are earned based upon Flex's percentile rank of TSR over a 3-year period against the S&P 500 constituents. The Compensation Committee believes that the relative total shareholder return metric used in the performance based awards is a widely accepted investor benchmark that appropriately aligns compensation with performance. The Committee's expectation is also that if Flex demonstrates strong performance in the four metrics measured in the short-term incentive plan plus the FCF metric in the long-term plan, then TSR results should also be strong (and vice versa). The number of shares earned is dependent on the percentile rank achieved based on the table below:

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

- Free Cash Flow LTIP: The 2017 grants are earned based on Flex's performance against pre-established cumulative Free Cash Flow goals over the period from fiscal year 2017 through fiscal year 2019. The Compensation Committee believes the three-year Free Cash Flow target is an important liquidity metric because it measures the amount of cash generated that is available to repay debt obligations, make investments, fund acquisitions, repurchase Company shares and to use for certain other activities. The Compensation Committee will assess goal achievement for the 2017 grant cycle and approve awards for the NEOs at the end of the performance cycle following the close of fiscal year 2019. Awards will be measured on a straight line sliding scale as follows:

% of Goal Achieved	<79%	79%	100%	152% and above
% of Target Paid	0%	50%	100%	200%

- Service-Vested RSUs: Awards granted in fiscal year 2017 vest in four installments of 25% on each yearly anniversary of the grant date.

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

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

Elementum Profits Interests Units

We own substantially all of the equity in Elementum Holding Ltd ("Holdco"), which in turn is a significant shareholder of Elementum SCM (Cayman) Ltd ("Elementum"), along with other investors not affiliated with us. Elementum is a privately-held software development company founded in 2012 by Flex and some of our former employees to address the enormous challenges facing global supply chains. Elementum develops SaaS-based supply chain management, or SCM, solutions to help companies deal with supply chain complexities through tools designed to control business processes, execute value chain transactions, and manage supplier relationships. Elementum is a separate organization from Flex with approximately 150 employees, though we currently indirectly hold a majority ownership interest. Flex's CEO, Mike McNamara, is the Chairman of the Board of Elementum, and he and Christopher Collier, Flex's Chief Financial Officer, and François Barbier, Flex's President, Global Operations and Components provide active contributions to Elementum. Prior to 2015, Messrs. McNamara, Collier and Barbier had not received any direct financial interest in Elementum or Holdco in connection with their service to Elementum and Holdco. At its founding, we reserved 3.8% of Flex's interest in Holdco as "profits interests," which are rights to receive a specified percentage of the appreciation that Flex realizes from its holdings in Holdco.

We believe that our investment in Elementum represents a significant value creation opportunity for shareholders. Profits interests unit grants are intended to provide incentives for Flex recipients to drive Elementum's success. Because the growth and success of Elementum could have positive implications for Flex as a whole, we believe that it is important to leverage the experience and expertise of our own officers to support Elementum's success. We also believe that our overall compensation plans provide a strong incentive to maximize overall Flex results across the breadth of our business lines and geographies. In recognition of ongoing contributions to Elementum's business, on March 23, 2017, Mr. McNamara received an additional grant of 0.78% profits interests in Holdco at a grant date value of $213,720, and Mr. Barbier received an award of 0.10% of Holdco at a grant date value of $27,400. Each award will vest 25% at the end of each year for four years, with the value only recognized upon an Elementum liquidity event. The Elementum profits interests grants made on March 23, 2017 were discretionary grants and the value of these grants will be deducted from the Flex equity grant that would otherwise have been issued to the recipient for the next fiscal year. The primary purpose of the profits interests grants in Holdco is to provide the executives with a highly-focused compensation tool that is directly aligned with the goal of creating value within Elementum, and therefore, we believe, for Flex shareholders overall. Various features of the incentive program are structured to provide alignment with Flex shareholders and have the appropriate governance controls, including:

- Recipients can only realize value from the profits interests if Flex also realizes value from our Elementum investment after the award of the profits interests.
- If the recipient leaves Flex, he or she will only be eligible to realize value from the vested portion of the grant.
- The awards are non-voting.
- The Flex Board's Nominating and Corporate Governance Committee oversees a process to monitor and mitigate any potential conflicts of interest.

Grants During Fiscal Year 2017

The number of performance-based and service-based restricted share unit awards as well as, in the case of Mr. McNamara, the FCF LTIP awards granted to him in fiscal year 2017, and the grant-date fair value of the restricted share unit awards, are shown in the Grants of Plan-Based Awards in Fiscal Year 2017 table.

As part of the annual compensation review process, the Compensation Committee recommended and the Board approved the following performance-based and service-based restricted share unit awards to our named executive officers in fiscal year 2017. The figures represent the sum of the restricted share unit awards granted. The award is an intended 50-50 split between performance-based awards (at target) and service-based awards for Mr. McNamara, who received 366,615 time-vested RSUs and 366,615 performance-based RSUs. As noted below, the share-based awards for Messrs. Collier, Barbier and Humphries are split 33-67 between performance-based awards (at target) and service-based awards. Mr. Collier received 145,284 RSUs and a target FCF LTIP award of $620,850; Mr. Barbier received 140,727 RSUs and a target FCF LTIP award of $601,375, Mr. Humphries received 143,155 RSUs and a target FCF LTIP award of $611,750. Mr. Offer received 230,000 RSUs as part of his agreement to join Flex, where the award was largely intended to cover the value of equity holdings forfeited from his prior employer.

Long Term Incentive Awards

	Performance-Based				
Executive Officer	**TSR-Based PSUs (Shares)**	**FCF-Based PSUs (Shares)**	**FCF Cash LTIP (Target Value)**	**Elementum (Grant Date Value)**	**Time-Based RSUs (Shares)**
Michael M. McNamara	183,307	183,308	—	$213,720	366,615
Christopher Collier	48,428	—	$620,850	—	96,856
Francois P. Barbier	46,909	—	$601,375	$27,400	93,818
Paul Humphries	47,718	—	$611,750	—	95,437
Scott Offer	—	—	—	—	230,000[(1)]

(1) Mr. Offer's RSU grant was intended to compensate for the value of equity value forfeited at his prior employer.

Taking these programs into account, Mr. McNamara's intended total target direct compensation for fiscal year 2017 was set at approximately the 60th percentile of our peer companies, and the aggregate total target direct compensation for our remaining NEOs was set at approximately the 55th percentile of our peer companies. The actual disclosed value of the TSR-based equity awards in the Summary Compensation Table (SCT) deviated somewhat from the intended value due to fluctuations in the Monte Carlo valuations. In fiscal 2017, Flex's strong stock price performance increased the overall disclosed value of awards relative to the intended grant date value (where such value is calculated as the target number of shares x the price at grant). The actual value to be earned will be dependent on Flex' multi-year TSR performance versus the S&P 500.

	Reconciliation of Intended versus Disclosed Summary Compensation Table Value					
	TSR-Based PSUs Grant Value		**Total Long-term Incentives**		**Total Direct Compensation**	
Executive Officer	**Intended**	**SCT Disclosed**	**Intended**	**SCT Disclosed**	**Intended**	**SCT Disclosed**
Michael M. McNamara .	$2,349,996	$3,220,704	$9,613,729	$10,484,437	$12,833,429	$13,704,137
Christopher Collier	$ 620,847	$ 850,880	$2,483,391	$ 2,713,424	$ 3,790,059	$ 4,020,092
Francois P. Barbier	$ 601,373	$ 824,191	$2,432,895	$ 2,655,713	$ 3,758,229	$ 3,981,047
Paul Humphries	$ 611,745	$ 838,405	$2,446,997	$ 2,673,657	$ 4,287,261	$ 4,513,921

Payouts of Prior Performance Award Grants

During fiscal year 2017, the performance share unit awards completed the applicable performance cycle and were eligible for payouts. The fiscal year 2014 PSU grant measured our TSR versus the S&P 500 (60% of the target shares) and the percentile ranking of our performance versus the Extended EMS Group (40% of the target shares). Based on the following for the period between the grant date in May 2013 and the performance period end in May 2016, the fiscal year 2014 PSU award was paid out at 193% of target:

- Our TSR performance of 67% as compared to the S&P 500
- Our TSR percentile at the 71st percentile ranking versus the Extended EMS Group

Additionally, Flex's FCF performance share unit cycle paid at 94.6%, reflecting Flex's more aggressive operating targets.

Responsible Share Granting Approach

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

- Target a broad-based equity strategy that generally aligns with the median of market.
- Conduct regular market analyses, including a detailed all-employee analysis for fiscal year 2017 grant strategy, to ensure alignment with market participation and award opportunity values.
- Use an equity grant strategy that ensures that awards are focused on high performers and those that make a meaningful impact on Flex's business results.
- Provide equity grants only in geographies and at employee levels in which it is a common market practice.
- Include direct performance metrics on more senior level participants, and provide longer-term shareholder alignment for all equity participants with multi-year vesting schedules on restricted stock unit grants.
- Analyze overall equity spend levels relative to peers and the broader market to ensure that total Company grant levels are appropriate from a market perspective.

Through these mechanisms, we continually balance the need to provide competitive equity awards with a strong commitment to limit dilution to shareholders. During fiscal year 2017, we granted non-adjusted shares of 1.2% of our average common shares outstanding. When considering this grant rate from an option equivalent perspective, based on the Company's fungible share ratio of 1.71:1, Flex granted 2.1% of shares outstanding. This represents a decrease of 0.15% of average common shares outstanding and 0.2% if looking at the fungible ratio adjusted shares relative to fiscal year 2016. Details of Flex's grant history are outlined in more detail below:

	Service-Based Share Summary for Fiscal Year Ended March 31,					
	2017		2016		2015	
	Shares	Price	Shares	Price	Shares	Price
	Service-based		Service-based		Service-based	
Unvested share bonus awards outstanding, beginning of fiscal year	13,167,776	$10.41	14,108,169	$ 8.74	16,456,620	$ 6.98
Granted	5,666,020	12.92	6,495,706	11.89	5,989,442	11.26
Vested	(5,097,196)	9.45	(6,522,628)	7.99	(6,594,344)	6.91
Forfeited	(913,657)	11.00	(913,471)	9.42	(1,743,549)	7.61
Unvested share bonus awards outstanding, end of fiscal year	12,822,943	$11.84	13,167,776	$10.41	14,108,169	$ 8.74

	Performance-Based Share Summary for Fiscal Year Ended March 31,					
	2017		2016		2015	
	Shares	Price	Shares	Price	Shares	Price
	Performance-based		Performance-based		Performance-based	
Unvested share bonus awards outstanding, beginning of fiscal year	3,832,300	$11.99	4,885,083	$ 9.76	5,391,500	$ 8.33
Granted	912,346	16.60	1,124,016	13.97	973,683	14.81
Vested / Earned	(1,825,750)	9.39	(2,006,750)	7.77	(651,712)	7.60
Forfeited	(43,257)	15.38	(170,049)	11.01	(828,388)	7.84
Unvested share bonus awards outstanding, end of fiscal year	2,875,639	$15.05	3,832,300	$11.99	4,885,083	$ 9.77
Weighted-average ordinary shares outstanding	540,503,000		557,667,000		579,981,000	
Gross Shares Granted	6,578,366		7,619,722		6,963,125	
Gross Burn Rate	1.22%		1.37%		1.20%	
Fungible Ratio	1.71		1.71		1.71	
Fungible Option Equivalents Granted	11,249,006		13,029,725		11,906,944	
Fungible Option Equivalent Burn Rate	**2.08%**		**2.34%**		**2.05%**	

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

	Service-Based Share Summary for Fiscal Year Ended March 31,					
	2017		2016		2015	
	Shares	Price	Shares	Price	Shares	Price
	Service-based		Service-based		Service-based	
Granted	5,666,020	$12.92	6,495,706	$11.89	5,989,442	$11.26
Forfeited	(913,657)	11.00	(913,471)	9.42	(1,743,549)	7.61
Net Change in Service-Based Shares	4,752,363	$11.84	5,582,235	$10.41	4,245,893	$ 8.74

	Performance-Based Share Summary for Fiscal Year Ended March 31,					
	2017		2016		2015	
	Shares	Price	Shares	Price	Shares	Price
	Performance-based		Performance-based		Performance-based	
Actual Vested / Earned Performance Based Awards	1,825,750	$ 9.39	2,006,750	$ 7.77	651,712	$ 7.60

	Net Service- and Performance-Based Share Burn Summary for Fiscal Year Ended March 31,					
	2017		2016		2015	
	Shares	Price	Shares	Price	Shares	Price
	Service-based		Service-based		Service-based	
Total Net Shares Granted or Released	6,578,113		7,588,985		4,897,605	
Weighted-average ordinary shares outstanding	540,503,000		557,667,000		579,981,000	
Total Net Shares Granted or Released Burn Rate	**1.22%**		**1.36%**		**0.84%**	
Fungible Ratio	1.71		1.71		1.71	
Net Fungible Option Equivalents Granted or Released	11,248,573		12,977,164		8,374,905	
Net Fungible Option Equivalent Burn Rate	**2.08%**		**2.33%**		**1.44%**	

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

Administration of Equity Award Grants

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

Hedging and Pledging Policy

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

Long-Term Deferred Compensation Awards

Each of the NEOs participates in a deferred compensation plan or arrangement. These plans and arrangements are intended to promote retention by providing a long-term savings opportunity on a tax-efficient basis. The Compensation Committee's general policy is to target long-term incentive compensation (which is deemed to include share-and cash-based compensation and target annual performance-based contributions to the deferred compensation plan, discussed below) at between the 60th and 65th percentiles of our peer companies, subject to individual variances. Our competitive positioning for long-term incentive compensation is determined in the context of historical performance and our overall compensation programs, including prior incentive awards. For fiscal year 2017, Mr. McNamara's long-term incentive award was targeted at approximately the 60th percentile of our peer companies, and the other named executive officers' long-term incentive awards generally were targeted to be within a range around the 60th percentile of our peer companies as well.

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

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

For fiscal year 2017, Messrs. Collier, Humphries and McNamara each received deferred cash awards with a value that averaged about 26.4% of their 2016 respective base salaries and Mr. Barbier and Mr. Offer received no deferred cash award.

Voluntary Contributions

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

Additional Company Contributions

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

Additional Information

For additional information about (i) executive contributions to the NEOs' deferral accounts, (ii) Company contributions to the deferral accounts, (iii) earnings on the deferral accounts, (iv) withdrawals under the deferral accounts, and (v) deferral account balances as of the end of fiscal year 2017, see the section entitled "*Executive Compensation—Nonqualified Deferred Compensation in Fiscal Year 2017.*"

Benefits

Executive Perquisites

Perquisites represent a small part of the overall compensation program for the named executive officers. In fiscal year 2017, we paid the premiums on long-term disability insurance for our named executive officers. We also reimbursed Mr. Barbier for costs associated with his international assignment, which are discussed below. In addition, we reimbursed Mr. Barbier for FICA and Medicare taxes due upon the partial vesting of his deferred bonuses during fiscal year 2017. These and certain other benefits are quantified under the "All Other Compensation" column in the Summary Compensation Table.

As discussed above, we have replaced our prior deferred compensation plans with our 2010 Deferred Compensation Plan. Under the prior plans, vested amounts were not paid until termination, while the new plan provides for distribution options, including in-service distributions. For amounts vesting under the prior plans, we will continue to reimburse the executives for FICA taxes since the executives will continue to be unable to access vested funds prior to retirement; however, the executives will continue to be responsible for the tax liability associated with the reimbursement. For amounts vesting under the new plan, the executives will be responsible for FICA taxes and the Company will not reimburse the executives for any taxes due upon vesting.

While Company aircraft are generally used for Company business only, our Chief Executive Officer and Chief Financial Officer and their spouses and guests may be permitted to use Company aircraft for personal travel, provided that Company aircraft are not needed for business purposes at such time. We calculate the incremental cost to the Company for use of the Company aircraft by using an hourly rate for each flight hour. The hourly rate is based on the variable operational costs of each flight, including but not necessarily limited to the following: fuel, maintenance, flight crew travel expense, catering, communications, and fees which include flight planning, ground handling and landing permits. On August 30, 2012, the Compensation Committee eliminated the gross-up that was previously provided under this policy. These benefits are quantified under the "All Other Compensation" column in the Summary Compensation Table.

Relocation Assignments

In connection with Mr. Barbier's relocation assignment to the Company's San Jose facility, originally effective August 30, 2010 and amended to provide a continuation of certain benefits as of July 1, 2016, we agreed to reimburse Mr. Barbier for certain relocation expenses incurred by Mr. Barbier, including a housing allowance of $6,600 per month and an auto allowance of up to $1,200 per month until June 30, 2019. These benefits are quantified under the "All Other Compensation" column in the Summary Compensation Table. For Mr. Barbier, the amount includes reimbursement of $237,186 for the incremental taxes due as a result of his relocation to the Company's San Jose facility.

401(k) Plan; French Defined Contribution Pension Plan

Under our 401(k) Plan, all of our employees are eligible to receive matching contributions. Effective fiscal year 2011, we also instituted a new annual discretionary matching contribution. The amount of any discretionary annual contribution will be based on Company performance and other economic factors as determined at the end of the fiscal year. For fiscal year 2017, we elected not to make a discretionary contribution. We do not provide an excess 401(k) plan for our executive officers.

Mr. Barbier participates in defined contribution pension schemes mandated under French law. For fiscal year 2017, the Company made required contributions aggregating approximately $72,403.

Other Benefits

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

Termination and Change of Control Arrangements

The named executive officers are entitled to certain termination and change of control benefits under their deferred compensation plans and under certain of their equity awards. These benefits are described and quantified under the section entitled "*Executive Compensation—Potential Payments Upon Termination or Change of Control.*" The Compensation Committee had determined that a single trigger for acceleration of the executives' deferred compensation accounts was appropriate under the Senior Executive Deferred Compensation Plan and the Senior Management Deferred Compensation Plan in order to provide certainty of vesting for benefits that represent the executives' primary source of retirement benefits. No NEOs have unvested awards under the Senior Executive Deferred Compensation Plan or the Senior Management Deferred Compensation Plan.

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

Executive Share Ownership Guidelines

In fiscal year 2011, to more closely align the interests of our management with those of our shareholders, our Board of Directors, upon the recommendation of the Compensation Committee, adopted share ownership guidelines for all of our executive officers and direct reports of the chief executive officer. The ownership guidelines provide for our executive officers to own a minimum number of our ordinary shares, which (i) for our CEO, is the number of shares having a value equal to at least four times his annual base salary though Mr. McNamara currently holds nearly 20 times his annual base salary, (ii) for our CFO, is the number of shares having a value equal to at least two and one-half times his annual base salary and (iii) for all of our other executive officers and CEO direct reports, is the number of shares having a value equal to at least one and one-half times his or her annual base salary. All ordinary shares and vested restricted share units held by our executives, as well as the value of fully-vested stock options (net of the value of taxes), count toward these goals. The guidelines provide for our executives to reach these goals within five years of the date that the Board approved the guidelines or the date they joined the Company, whichever is later, and to hold such a minimum number of shares for as long as he or she remains an officer. The Company has determined that the named executive officers either are in compliance or are on target to be in compliance with the requirements under the guidelines by the applicable deadline.

Executive Incentive Compensation Recoupment Policy

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

COMPENSATION RISK ASSESSMENT

With the assistance of Mercer, the Compensation Committee reviewed our compensation policies and practices during fiscal year 2017 and determined that our compensation programs do not encourage excessive or inappropriate risk-taking. The Compensation Committee believes that the design and mix of our compensation programs appropriately encourage our executive and senior officers to focus on the creation of long-term shareholder value. In its review, the Compensation Committee noted the following features:

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

EXECUTIVE COMPENSATION

The following table sets forth the fiscal year 2015, 2016 and 2017 compensation for:

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

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

Summary Compensation Table

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Share Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
Michael M. McNamara	2017	$1,250,000	$ —	$10,484,437	$1,969,700	$1,045,591	$ 43,877	$14,793,605
Chief Executive Officer	2016	$1,250,000	$481,055	$ 9,432,393	$1,524,874	$ —	$ 55,782	$12,525,799
	2015	$1,250,000	$528,965	$ 9,004,569	$3,179,160	$ 252,445	$ 89,901	$14,305,040
Christopher Collier	2017	$ 700,000	$ —	$ 2,092,574	$1,228,901	$ 147,039	$ 44,683	$ 4,213,196
Chief Financial Officer	2016	$ 675,000	$126,690	$ 2,039,304	$ 603,850	$ —	$ 46,115	$ 3,474,359
	2015	$ 650,000	$556,593	$ 2,284,397	$1,212,320	$ 38,559	$ 66,453	$ 4,808,322
Francois P. Barbier	2017	$ 710,000	$ —	$ 2,054,338	$1,185,715	$ 46,979	$470,267	$ 4,467,298
President, Global	2016	$ 695,000	$ 64,242	$ 2,020,574	$ 621,742	$ —	$350,526	$ 3,711,334
Operations and Components	2015	$ 675,000	$ 64,011	$ 2,094,046	$1,258,948	$ —	$451,071	$ 4,543,076
Paul Humphries	2017	$ 710,000	$ —	$ 2,061,907	$1,700,645	$ 128,118	$ 22,351	$ 4,623,021
President, High	2016	$ 695,000	$167,550	$ 1,979,824	$ 925,868	$ —	$ 23,636	$ 3,791,878
Reliability Solutions	2015	$ 675,000	$163,949	$ 2,094,046	$1,560,686	$ 19,403	$ 22,901	$ 4,535,985
Scott Offer*	2017	$ 316,955	$625,000	$ 3,275,200	$ 244,077	$ —	$ 6,193	$ 4,467,424
Executive Vice President	2016	$ —	$ —	$ —	$ —	$ —	$ —	$ —
and General Counsel	2015	$ —	$ —	$ —	$ —	$ —	$ —	$ —

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

(1) Each of the above mentioned named executive officers, except Mr. Barbier, contributed a portion of his fiscal year 2017 salary to his 401(k) savings plan account. All amounts contributed are included under this column.

(2) For fiscal years 2016 and 2015, this column shows (except with respect to Mr. Offer) the unvested portion of deferred compensation accounts that vested during these respective fiscal years. No deferred compensation amounts vested during fiscal year 2017. For additional information about the Company's deferred compensation arrangements, see the section entitled "*Compensation Discussion and Analysis—Deferred Compensation*" of this proxy statement and the discussion under the section entitled "*Nonqualified Deferred Compensation in Fiscal Year 2017*" of this proxy statement. For Mr. Offer, this amount is related to a sign on bonus upon commencement of employment with Flex.

(3) Share awards consist of service-based, performance-based restricted share unit awards, and Elementum profits interests unit awards. The amounts in this column do not reflect compensation actually received by the named executive officers nor do they reflect the actual value that will be

recognized by the named executive officers. Instead, the amounts reflect the grant date fair value for grants made by us in fiscal years 2015, 2016 and 2017, calculated in accordance with FASB ASC Topic 718. The performance-based restricted share unit awards included in this column are at the target number of shares as follows for fiscal year 2017: 366,615 performance-based restricted share unit awards, or $5,570,713 for Mr. McNamara; 48,428 performance-based restricted share unit awards, or $850,880 for Mr. Collier; 46,909 performance-based restricted share unit awards, or $824,191 for Mr. Barbier; and 47,718 performance-based restricted share unit awards, or $838,405 for Mr. Humphries. If the maximum payout is earned, the value of the performance-based restricted share unit awards would be 200% of those amounts as follows: $11,141,426 for Mr. McNamara; $1,701,760 for Mr. Collier; $1,648,382 for Mr. Barbier; and $1,676,810 for Mr. Humphries.

For additional information regarding the assumptions made in calculating the amounts reflected in this column, see Note 3 to our audited consolidated financial statements, "Share-Based Compensation," included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017.

(4) The amounts in this column represent incentive cash bonuses earned in fiscal year 2017, including the following amounts paid out under the FCF LTIP: $622,233 for Mr. Collier; $570,381 for Mr. Barbier; and $570,381 for Mr. Humphries. For additional information, see the section entitled "*Compensation Discussion and Analysis—Fiscal Year 2017 Executive Compensation—Incentive Bonus Plan*" of this proxy statement.

(5) The amount in this column for fiscal year 2017 represents the above-market earnings on the vested portions of the nonqualified deferred compensation accounts of Messrs. McNamara, Collier, Barbier and Humphries in fiscal year 2017. None of our NEOs participated in any defined benefit or actuarial pension plans in fiscal year 2017. Above-market earnings represent the difference between market interest rates determined pursuant to SEC rules and earnings credited to the vested portion of the named executive officers' deferred compensation accounts. See the Nonqualified Deferred Compensation in Fiscal Year 2017 table of this proxy statement for additional information.

(6) The following table provides a breakdown of compensation included in the "All Other Compensation" column for fiscal year 2017:

Name	Pension/ Savings Plan Company Match Expenses/ Social Security ($)(1)	Medical/ Enhanced Long-Term Disability ($)(2)	Personal Aircraft Usage ($)(3)	Relocation/ Expatriate Assignment Expenses ($)(4)	Tax Reimbursements ($)(5)	Total ($)
Michael M. McNamara	$10,600	$14,399	$18,878	$ —	$ —	$ 43,877
Christopher Collier	$10,850	$ 2,479	$31,354	$ —	$ —	$ 44,683
Francois P. Barbier	$72,403	$37,947	$ —	$109,828	$250,089	$470,267
Paul Humphries	$10,750	$11,601	$ —	$ —	$ —	$ 22,351
Scott Offer	$ 6,193	$ —	$ —	$ —	$ —	$ 6,193

(1) The amounts in this column represent the Company's regular employer matching contributions to the 401(k) saving plan accounts for Messrs. McNamara, Collier and Humphries. In the case of Mr. Barbier, it represents Company contributions to the mandatory social security programs under applicable French law. Amounts for Mr. Barbier have been converted into dollars from Euros based on the average exchange rate for the 2017 fiscal year.

(2) The amounts in this column represent the Company's contribution to the executive long-term disability program which provides additional benefits beyond the basic employee long-term disability program. An amount equal to $30,910 paid to Mr. Barbier was converted into dollars from Euros based on the average exchange rate for the 2017 fiscal year.

(3) The amounts in this column represent the aggregate incremental costs resulting from the personal use of the company aircraft. Costs include a portion of ongoing maintenance and repairs, aircraft fuel, satellite communications and travel expenses for the flight crew. It excludes non-variable costs which would have been incurred regardless of whether there was any personal use of aircraft.

(4) These amounts represent the costs associated with Mr. Barbier's relocation to the Company's San Jose facility for housing allowances of $78,000, vehicle allowances of $14,400, relocation fees of $1,000 and Home Leave Airfare of $16,428.

(5) For Mr. Barbier, the amount includes reimbursement of $237,186 for the incremental taxes due as a result of his relocation to the Company's San Jose facility and $12,903 for the payment of Basic Social Security (which such amount was converted into dollars from Euros based on the average exchange rate for the 2017 fiscal year). See the section entitled "*Compensation Discussion and Analysis—Benefits—Executive Perquisites*" of this proxy statement.

Grants of Plan-Based Awards in Fiscal Year 2017

The following table presents information about non-equity incentive plan awards and restricted share unit awards that we granted in our 2017 fiscal year to our named executive officers. We did not grant any stock options to our named executive officers during our 2017 fiscal year.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)				
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Share Awards: Number of Shares of Stock or Units (#)**	**Grant Date Fair Value of Share Awards ($)(6)**
Michael M. McNamara	06/14/2016				45,826	183,307	366,614		$3,220,704
	06/14/2016				91,654	183,308	366,616		$2,350,009
	06/14/2016							366,615(3)	$4,700,004
	03/23/2017							780,000(4)	$ 213,720
	—	$1,250,000	$2,500,000	$6,250,000					
Christopher Collier	06/14/2016				12,107	48,428	96,856		$ 850,880
	06/14/2016							96,856(3)	$1,241,694
	—	$ 385,000	$ 770,000	$1,925,000					
	—	$ 310,425	$ 620,850	$1,241,700					
Francois P. Barbier	06/14/2016				11,727	46,909	93,818		$ 824,191
	06/14/2016							93,818(3)	$1,202,747
	03/23/2017							100,000(4)	$ 27,400
	—	$ 390,500	$ 781,000	$1,952,500					
	—	$ 300,688	$ 601,375	$1,202,750					
Paul Humphries	06/14/2016				11,929	47,718	95,436		$ 838,405
	06/14/2016							95,437(3)	$1,223,502
	—	$ 390,500	$ 781,000	$1,952,500					
	—	$ 305,875	$ 611,750	$1,223,500					
Scott Offer	11/30/2016							180,000(5)	$2,563,200
	11/30/2016							50,000(5)	$ 712,000
	—	$ 220,000	$ 440,000	$1,100,000					
	—	$ —	$ —	$ —					

(1) These amounts show the range of possible payouts under our cash incentive programs for fiscal year 2017. For Mr. McNamara, the amounts correspond to the range of possible payouts under the incentive bonus plan. The maximum payment represents 250% of the target payment. The threshold payment represents 50% of target payout levels. For Messrs. Collier, Barbier and Humphries, the amounts reflect the range of payouts possible under the incentive bonus plan and the Free Cash Flow LTIP awarded on April 1, 2016. The maximum payment represents 250% and 200% of the target payment for our incentive cash bonus program and FCF LTIP, respectively. The threshold

payment represents 50% of target payout levels. For the annual incentive bonus plan, the amounts actually earned in fiscal year 2017 are reported as Non-Equity Incentive Plan Compensation in the Summary Compensation Table. For additional information, see the section entitled "*Compensation Discussion and Analysis—Fiscal Year 2017 Executive Compensation—Incentive Bonus Plan" and "Compensation Discussion and Analysis—Fiscal Year 2017 Executive Compensation—Long-Term Share- and Cash-Based Incentive Compensation*" of this proxy statement.

(2) These columns show the range of estimated future vesting of performance-based restricted share unit awards granted in fiscal year 2017 under our 2010 Equity Incentive Plan. The restricted share unit awards cliff vest after three years, with vesting being based on percentile rank of the Company's TSR in the constituents of the S&P 500 Index. The maximum payment for each executive officer represents 200% of the target payment. The threshold payment for each named executive officer represents 25% of target payout levels. In addition, under our FCF LTIP, Mr. McNamara was granted 183,308 performance-based restricted share unit awards which cliff vest after three years, with vesting based on the cumulative three-year increase of free cash flow from operations of the Company. The maximum payment for Mr. McNamara represents 200% of the target payment. The threshold payment for Mr. McNamara represents 50% of target payout levels. For additional information, see the section entitled "*Compensation Discussion and Analysis—Fiscal Year 2017 Executive Compensation—Long-Term Share- and Cash-Based Incentive Compensation*" of this proxy statement.

(3) These amounts show the number of service-based restricted share units granted in fiscal year 2017 under our 2010 Equity Incentive Plan. For each named executive officer, the restricted share units vest in four annual installments at a rate of 25% per year, provided that the executive continues to remain employed on the vesting dates. For additional information, see the section entitled "*Compensation Discussion and Analysis—Long-Term Share-and-Cash Based Incentive Compensation—Grants During Fiscal Year 2017*" of this proxy statement.

(4) These amounts show the number of profits interests shares of Elementum granted in fiscal year 2017 under the Elementum plan. For each of Messrs. McNamara and Barbier, the shares vest in four annual installments at a rate of 25% per year, provided that the executive continues to remain employed on the vesting dates, and the values are only recognized upon an Elementum liquidity event.

(5) These amounts show the number of service-based restricted share units granted in fiscal year 2017 under our 2010 Equity Incentive Plan for Mr. Offer. For additional information, see the section entitled *"Compensation Discussion and Analysis—Long-Term Share-and-Cash Based Incentive Compensation—Grants During Fiscal Year 2017"* of this proxy statement. These amounts show the number of service-based restricted share units granted in fiscal year 2017 under our 2010 Equity Incentive Plan in connection with the hiring of Mr. Offer. With respect to each grant, 180,000 restricted share units vest in in four annual installments at a rate of 25% per year, and 50,000 restricted share units cliff vest three years after the date of grant, provided that Mr. Offer continues to remain employed on the vesting dates.

(6) This column shows the grant date fair value of service-based and performance-based restricted share unit awards, at the target level, under FASB ASC Topic 718 granted to our named executive officers in fiscal year 2017. The grant date fair value is the amount that we will expense in our financial statements over the award's vesting schedule. Expense will be reversed for awards that do not vest as a result of the named executive officers not meeting the requisite service requirement; however expense will not be reversed for awards that do not vest as a result of not achieving the performance requirement. For restricted share unit awards with service-based vesting, the grant date fair value is the closing price of our ordinary shares on the grant date. For restricted share unit awards where vesting is contingent on meeting a market condition, the grant date fair value was calculated using a Monte Carlo simulation. Additional information on the valuation assumptions is included in Note 3 of our audited consolidated financial statements,

"Share-Based Compensation," included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017. These amounts reflect our accounting expense, and do not correspond to the actual compensation that will be received by the named executive officers.

Outstanding Equity Awards at 2017 Fiscal Year-End

The following table presents information about outstanding share awards (including Elementum profits interests) held by our named executive officers as of March 31, 2017. The table shows information about: (i) service-based restricted share units; (ii) performance-based restricted share units; and (iii) Elementum profits interests.

The market value of the share awards, other than Elementum profits interests, is based on the closing price of our ordinary shares as of March 31, 2017, which was $16.80. The market value of Elementum profits interests is based on a valuation of such interests at $0.274 per unit. For performance-based restricted share units, the number of unearned shares and the market values shown assume all performance criteria are met at the maximum payout level. For additional information on our equity incentive programs, see the section entitled "*Compensation Discussion and Analysis—Long-Term Incentive Programs—Share-Based Compensation*" of this proxy statement.

	Share Awards			
Name	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(1)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Michael M. McNamara	2,182,832(2)	$45,626,532	2,182,832(3)	$36,671,578
Christopher Collier	336,904(4)	$ 5,659,987	320,296(5)	$ 5,380,973
Francois P. Barbier	555,968(6)	$ 9,340,262	305,058(7)	$ 5,124,974
Paul Humphries	345,922(8)	$ 5,811,490	306,676(9)	$ 5,152,157
Scott Offer	230,000(10)	$ 3,864,000	—	$ —

(1) This column includes performance-based restricted share unit awards granted in fiscal years 2015, 2016 and 2017 under our 2010 Equity Incentive Plan based on a 200% payout. For grants made in fiscal year 2015, 2016 and 2017, 100% of the restricted share unit awards vest after three years, if the performance criteria are met. Vesting of the performance-based awards for 2015, 2016 and 2017 will depend on the Company's total shareholder return versus total shareholder return of the constituents of the S&P 500.

(2) 112,500 shares vest on May 21, 2017; 182,649 shares vest at a rate of 91,324 shares per year for two years, with the first vesting date on June 26, 2017; 269,628 shares vest at a rate of 89,876 shares per year for three years, with the first vesting date on June 10, 2017; 1,004,473 Elementum profit interest shares vest at a rate of 334,824 shares per year for three years, with the first vesting date on October 15, 2017; 366,615 shares vest at a rate of 91,654 shares per year for four years, with the first vesting date on June 14, 2017; and 780,000 Elementum profit interest shares vest at a rate of 195,000 shares per year for four years, with the first vesting date on March 23, 2018.

(3) 730,594 shares vest on June 26, 2017 assuming a maximum payout of 200%; 719,008 shares vest on June 10, 2018 assuming a maximum payout of 200%; and 733,230 shares vest on June 14, 2019 assuming a maximum payout of 200%.

(4) 27,500 shares vest on May 21, 2017; 60,069 shares vest at a rate of 30,034 shares per year for two years, with the first vesting date on June 26, 2017; 77,479 shares vest at a rate of 25,826 shares per year for three years, with the first vesting date on June 10, 2017; 75,000 Elementum profit interest shares vest at a rate of 25,000 shares per year for three years, with the first vesting date on October 15, 2017; and 96,856 shares vest at a rate of 24,214 shares per year for four years, with the first vesting date on June 14, 2017.

(5) 120,136 shares vest on June 26, 2017 assuming a maximum payout of 200%; 103,304 shares vest on June 10, 2018 assuming a maximum payout of 200%; and 96,856 shares vest on June 14, 2019 assuming a maximum payout of 200%.

(6) 43,750 shares vest on May 21, 2017; 55,063 shares vest at a rate of 27,531 shares per year for two years, with the first vesting date on June 26, 2017; 75,837 shares vest at a rate of 25,279 shares per year for three years, with the first vesting date on June 10, 2017; 187,500 Elementum profit interest shares vest at a rate of 62,500 shares per year for three years with the first vesting date on October 15, 2017; 93,818 shares vest at a rate of 24,214 shares per year for four years, with the first vesting date on June 14, 2017 and 100,000 Elementum profit interest shares vest at a rate of 25,000 shares per year for four years, with the first vesting date on March 23, 2018.

(7) 110,126 shares vest on June 26, 2017 assuming a maximum payout of 200%; 101,114 shares vest on June 10, 2018 assuming a maximum payout of 200%; and 93,818 shares vest on June 14, 2019 assuming a maximum payout of 200%.

(8) 43,750 shares vest on May 21, 2017; 55,063 shares vest at a rate of 27,531 shares per year for two years, with the first vesting date on June 26, 2017; 75,837 shares vest at a rate of 25,279 shares per year for three years, with the first vesting date on June 10, 2017; 75,835 Elementum profit interest shares vest at a rate of 25,279 shares per year for three years with the first vesting date on October 15, 2017; and 95,437 shares vest at a rate of 23,859 shares per year for four years, with the first vesting date on June 14, 2017.

(9) 110,126 shares vest on June 26, 2017 assuming a maximum payout of 200%; 101,114 shares vest on June 10, 2018 assuming a maximum payout of 200%; and 95,436 shares vest on June 14, 2019 assuming a maximum payout of 200%.

(10) 180,000 shares vest at a rate of 45,000 shares per year for four years, with the first vesting date on November 30, 2017; and 50,000 shares vest on November 30, 2019.

(11) 18,750 shares vest on May 21, 2017; 12,514 shares vest on June 26, 2017; and 13,430 shares vest on June 10, 2017.

(12) 50,058 shares vest on June 26, 2017 assuming a maximum payout of 200%.

Option Exercises and Shares Vested in Fiscal Year 2017

The following table presents information for each of our named executive officers on (1) stock option exercises during fiscal year 2017, including the number of shares acquired upon exercise and the value realized and (2) the number of shares acquired upon the vesting of share awards in the form of restricted share units during fiscal year 2017 and the value realized, in each case before payment of any applicable withholding tax and broker commissions.

Name	Option Awards: Number of Shares Acquired on Exercise (#)	Option Awards: Value Realized on Exercise ($)(1)	Share Awards: Number of Shares Acquired on Vesting (#)	Share Awards: Value Realized on Vesting ($)(2)
Michael M. McNamara	—	$ —	1,274,700	$15,814,018
Christopher Collier	—	$ —	308,160	$ 3,821,771
Francois P. Barbier	—	$ —	471,810	$ 5,856,121
Paul Humphries	303,489	$2,248,359	468,060	$ 5,810,258
Scott Offer	—	$ —	—	$ —

(1) The amounts in this column reflect the aggregate dollar amount realized upon exercise of the options determined by the difference between the market price of the underlying shares at exercise and the exercise price of the options.

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

Pension Benefits in Fiscal Year 2017

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

Nonqualified Deferred Compensation in Fiscal Year 2017

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

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

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

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

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

The following table presents information for fiscal year 2017 about: (i) contributions to the named executive officers' deferred compensation plan accounts by the executive; (ii) contributions to the NEOs' deferred compensation plan accounts by the Company; (iii) aggregate earnings (or losses) on the deferred compensation plan accounts; (iv) aggregate withdrawals and distributions from the deferred compensation plan accounts; and (v) the deferred compensation plan account balances as of the end of the fiscal year. For fiscal year 2017, Messrs. McNamara, Collier and Humphries each received deferred compensation awards that averaged approximately 26.4% of their 2016 respective base salaries.

Nonqualified Deferred Compensation Table

Name	Executive Contributions in Last Fiscal Year ($)(1)	Registrant Contributions in Last Fiscal Year ($)(2)	Aggregate Earnings (Losses) in Last Fiscal Year ($)(3)	Aggregate Withdrawals/ Distributions ($)(4)	Aggregate Balance at Fiscal Year-End ($)(5)
Michael M. McNamara	$ —	$329,794	$1,696,247	$ —	$18,452,742
Christopher Collier	$146,052	$178,089	$ 276,046	$ —	$ 2,701,421
Francois P. Barbier(6)	$ —	$ —	$ 74,944	$ —	$ 912,234
Paul Humphries	$ 29,583	$183,365	$ 245,887	$95,703	$ 2,362,688
Scott Offer	$ —	$ —	$ —	$ —	$ —

(1) Reflects the salary payments deferred by our named executive officers during the fiscal year. These amounts are included in the Summary Compensation Table under the "Salary" column.

(2) These amounts represent contributions under the 2010 deferred compensation plan. These awards cliff vest after four years. None of these awards have vested under this plan as of March 31, 2017. These amounts, including any earnings or losses thereon, will be reported under the "Bonus" column of the Summary Compensation Table upon vesting in future years if the executive continues to be a named executive officer. For additional information on these contributions and their vesting terms, including vesting upon the executive's termination or change

in control of the Company, see the sections entitled *“Compensation Discussion and Analysis—Long-Term Deferred Compensation Awards”* of this proxy statement and *“Executive Compensation—Potential Payments Upon Termination or Change of Control.”*

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

(4) The amount in this column reflects distributions made to Mr. Humphries during the fiscal year 2017.

(5) The amounts in this column have previously been reported in the Summary Compensation Table for this and prior fiscal years as follows: Michael M. McNamara—$18,452,742; Christopher Collier—$1,746,890; Francois P. Barbier—$1,040,409; and Paul Humphries—$1,015,232. The amounts in this column include the following unvested balances related to the respective 2010 deferred compensation plan account of the named executive officers: Michael M. McNamara—$1,749,859; Christopher Collier—$699,451; and Paul Humphries—$666,724.

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

Potential Payments Upon Termination or Change in Control

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

Acceleration of Vesting of Deferred Compensation

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

Acceleration of Vesting of Equity Awards

The number of unvested equity awards held by each named executive officer as of March 31, 2017 is listed above in the Outstanding Equity Awards at 2017 Fiscal Year-End table. All unvested outstanding equity awards held by our named executive officers at the end of fiscal year 2017 were granted under the 2010 Plan and the Elementum plan, which provide certain benefits to plan participants in the event of the termination of such participant’s employment or a change in control of the Company. The terms of these benefits are described below.

Treatment of Certain Awards Upon Retirement

Subject to any waiver by the Compensation Committee, all unvested restricted share unit awards and unvested stock options held by a plan participant will be forfeited if the participant ceases to provide services to the Company for any reason. However, certain award agreements for performance-based restricted share unit awards granted under our 2010 Plan provide that if a plan participant ceases to provide services to the Company due to a retirement (meaning a voluntary termination of service after the participant has attained the age of sixty (60) years and completed at least ten (10) years of service as an employee of the Company), then the award will not terminate and a pro-rata number of shares subject to the award shall be issued to the participant upon the vesting of the award agreement pursuant to the original performance criteria. At the current time, Messrs. McNamara and Humphries are the only NEOs that satisfy the retirement criteria.

Acceleration of Vesting Upon a Change in Control

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

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

Where awards under the 2010 Plan are assumed or continued after a change in control, the Compensation Committee may provide that one or more awards will automatically accelerate upon an involuntary termination of service within a designated period (not to exceed eighteen (18) months) following the effective date of such change in control. If the Compensation Committee so determines, immediately upon an involuntary termination of service following a change of control all forfeiture restrictions on such award will lapse.

Among our named executive officers, 2,022,808 of Mr. McNamara’s unvested restricted share unit awards, 422,052 of Mr. Collier’s unvested restricted share unit awards, 420,997 of Mr. Barbier’s unvested restricted share unit awards, 423,425 of Mr. Humphries’ unvested restricted share unit awards, and 230,000 of Mr. Offer’s unvested restricted share unit awards include the change in control provision above.

Potential Payments Upon Termination or Change in Control as of March 31, 2017

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

Calculations for this table assume that the triggering event took place on March 31, 2017, the last business day of our 2017 fiscal year, and are based on the price per share of our ordinary shares on such date, which was $16.80. The following table does not include potential payouts under our named executive officers’ nonqualified deferred compensation plans relating to vested benefits.

Name	Change in Control with Termination: Accelerated Vesting of Deferred Compensation (1)	Change in Control and No Assumption of Award: Accelerated Vesting of Restricted Share Unit Awards(2)	Total in Event of Change in Control	Retirement Eligible: Pro Rata Vesting of Performance Share Units (3)
Michael M. McNamara	$1,749,859	$33,983,174	$35,733,033	$10,908,072
Christopher Collier	$ 699,451	$ 7,090,474	$ 7,789,925	$ —
Francois P. Barbier	$ —	$ 7,072,750	$ 7,072,750	$ —
Paul Humphries	$ 666,724	$ 7,113,540	$ 7,780,264	$ 1,573,958
Scott Offer	$ —	$ 3,864,000	$ 3,864,000	$ —

(1) The amount shown for each executive represents the portion of the unvested balance of the executive’s deferred compensation account that would vest in the event the executive is

terminated by the Company without cause or resigns with good reason following a change in control of the Company (as defined in the 2010 deferred compensation plan). No executive's deferred compensation account will vest upon a change of control (without any termination following such change in control) or upon the executive's death.

(2) The amounts shown represent the estimated value of the accelerated vesting of restricted share unit awards following a change of control under the terms of our equity incentive plans, which assumes that such restricted share unit awards are not assumed or replaced by the successor corporation or its parent. If such awards are assumed or replaced in a change of control transaction, the vesting of such awards will not accelerate; provided, that the Compensation Committee may determine that awards under the 2010 Plan may be accelerated if the executive is terminated within a certain period (not to exceed 18 months) following a change of control. Performance-based shares may be accelerated on a pro-rata basis following a change of control. All amounts shown in this column represent the intrinsic value of the awards based on the closing price of our ordinary shares on March 31, 2017, the assumed date of the triggering event.

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

EQUITY COMPENSATION PLAN INFORMATION

As of March 31, 2017, we maintained only our 2010 Plan, which replaced (i) the 2001 Plan, (ii) the 2002 Interim Incentive Plan, (iii) the 2004 Award Plan for New Employees, and (iv) the Solectron Corporation 2002 Stock Plan, which we refer to collectively as the Prior Plans. In addition, we maintained the NEXTracker, Inc. 2014 Equity Incentive Plan and the BrightBox Technologies, Inc. 2013 Stock Incentive Plan (as amended), which we assumed as part of acquisitions during fiscal years 2016 and 2017, respectively. The following table provides information about equity awards outstanding under these plans as of March 31, 2017. The below does not reflect the effect of our fiscal 2018 grants under the 2010 Plan and the vesting of awards in fiscal 2018. See page 32 for certain updated information as of June 29, 2017.

Plan Category	Number of Ordinary Shares to be Issued Upon Exercise of Outstanding Options and Vesting of Restricted Share Unit Awards (a)	Weighted-Average Exercise Price of Outstanding Options(1) (b)	Number of Ordinary Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Ordinary Shares Reflected in Column (a)) (c)
Equity compensation plans approved by shareholders(2)	15,840,909	$8.97	18,124,973(3)
Equity compensation plans not approved by shareholders(4)(5)	3,338,510(6)	$3.34	—
Total	19,179,419(7)	$3.75	18,124,973(3)

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

(2) In connection with the acquisition of Solectron Corporation on October 1, 2007, we assumed the Solectron Plan, including all outstanding options to purchase Solectron Corporation common stock with exercise prices equal to, or less than, $5.00 per share. Each assumed option was converted into an option to acquire our ordinary shares at the applicable exchange rate of 0.345. As a result, we assumed approximately 7.4 million vested and unvested options with exercise prices ranging from between $5.45 and $14.41 per ordinary share. The Solectron Plan was consolidated into the 2010 Plan in 2010. Options granted under the Solectron Plan generally have an exercise price of not less than the fair value of the underlying ordinary shares on the date of grant. Such options generally vest over four years and generally expire either seven or ten years from the date of grant. Unvested options are forfeited upon termination of employment.

(3) Consists of ordinary shares available for grant under the 2010 Plan. The 2010 Plan provides for grants of up to 10.0 million ordinary shares, plus ordinary shares available for grant as a result of the forfeiture, expiration or termination of options and restricted share unit awards granted under the Prior Plans (if such ordinary shares are issued under such other stock options or restricted share unit awards, they will not become available under the 2010 Plan) and shares that were available for grant under the Prior Plans at the time of the consolidation of such plans into the 2010 Plan. Each ordinary share that is subject to a stock option is counted against this limit as one share. Each share that is subject to a restricted share unit award is counted against this limit as one and seventy-one hundredths (1.71) shares.

(4) In connection with the acquisition of NEXTracker, Inc. on September 28, 2015, we assumed the NEXTracker, Inc. 2014 Equity Incentive Plan, including all outstanding options to purchase NEXTracker, Inc. common stock with exercise prices equal to, or less than, $7.34 per share. Each assumed option was converted into an option to acquire our ordinary shares at the applicable

exchange rate of 1.4033. As a result, we assumed approximately 5.6 million unvested restricted stock units and unvested options with exercise prices ranging from between $0.08 and $10.65 per ordinary share. Options granted under this plan generally have an exercise price less than the fair value of the underlying ordinary shares on the date of grant. The shares generally vest over four years, and options generally expire ten years from the date of grant. Unvested shares are forfeited upon termination of employment.

(5) In connection with the acquisition of BrightBox Technologies, Inc. on May 16, 2016, we assumed the BrightBox Technologies, Inc. 2013 Stock Incentive Plan (as amended), including all outstanding options to purchase BrightBox Technologies, Inc.' common stock with exercise prices equal to, or less than, $0.08 per share. Each assumed option was converted into an option to acquire our ordinary shares at the applicable exchange rate of 6.4959. As a result, we assumed approximately 0.2 million unvested options with exercise prices ranging from between $0.45 and $0.52 per ordinary share. Options granted under this plan generally have an exercise price less than the fair value of the underlying ordinary shares on the date of grant. The shares generally vest over four years, and options generally expire ten years from the date of grant. Unvested shares are forfeited upon termination of employment.

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

(7) Includes 17,242,019 ordinary shares issuable upon the vesting of restricted share unit awards. The remaining balance consists of ordinary shares issuable upon the exercise of outstanding stock options. For awards subject to market performance criteria, the amount reported reflects the number of shares to be issued if the target level is achieved. An additional 2,662,544 shares would be issued if the maximum market performance level is achieved.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of June 16, 2017, except as otherwise indicated, regarding the beneficial ownership of our ordinary shares by:

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

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

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

Beneficial ownership is determined in accordance with the rules of the SEC that deem shares to be beneficially owned by any person who has or shares voting or investment power with respect to such shares. Ordinary shares subject to options that are currently exercisable or are exercisable within 60 days of June 16, 2017, and ordinary shares subject to restricted share unit awards that vest within 60 days of June 16, 2017 are deemed to be outstanding and to be beneficially owned by the person holding such awards for the purpose of computing the percentage ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated below, the persons and entities named in the table have sole voting and sole investment power with respect to all the shares beneficially owned, subject to community property laws where applicable.

For each individual and group included in the table below, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the 531,607,660 ordinary shares outstanding on June 16, 2017 plus the number of ordinary shares that such person or group had the right to acquire on or within 60 days after June 16, 2017.

	Shares Beneficially Owned	
Name and Address of Beneficial Owner	**Number of Shares**	**Percent**
5% Shareholders:		
Capital Research Global Investors(1) 333 South Hope Street, Los Angeles, CA 90071	53,844,422	10.13%
Boston Partners(2) One Beacon Street, 30th Floor, Boston, MA 02108	53,313,920	10.03%
PRIMECAP Management Company(3) 177 E. Colorado Blvd., 11th Floor, Pasadena, CA 91105	51,632,805	9.71%
Glenview Capital Management, LLC(4) 767 Fifth Avenue, 44th Floor, New York, NY 10153	36,428,016	6.85%
Janus Capital Management LLC(5) 151 Detroit Street, Denver, CO 80206	28,222,092	5.31%

	Shares Beneficially Owned	
Name of Beneficial Owner	**Number of Shares**	**Percent**
Named Executive Officers and Directors:		
Michael McNamara(6)	2,559,511	*
Christopher Collier(7)	568,766	*
Paul Humphries(8)	397,077	*
Francois Barbier(9)	182,594	*
Scott Offer	0	*
Willy Shih(10)	206,895	*
William Watkins(10)	30,226	*
Daniel Schulman(10)	155,271	*
Lay Koon Tan(10)	117,122	*
Lawrence Zimmerman(10)	79,972	*
Michael Capellas(10)	68,951	*
Marc Onetto(11)	53,925	*
All executive officers and directors as a group (13 persons)(12)	4,449,310	0.83%

* Less than 1%.

(1) Based on information supplied by Capital Research Global Investors in an amended Schedule 13G filed with the SEC on February 13, 2017. Capital Research Global Investors has sole voting power and dispositive power over all of these shares.

(2) Based on information supplied by Boston Partners in an amended Schedule 13G filed with the SEC on June 8, 2017. Boston Partners is deemed to have sole voting power for 41,799,795 of these shares, shared voting power of 73,733 of these shares and sole dispositive power for all of these shares.

(3) Based on information supplied by PRIMECAP Management Company in an amended Schedule 13G filed with the SEC on February 9, 2017. PRIMECAP Management Company has sole voting power over 19,653,626 of these shares and sole dispositive power over all of these shares.

(4) Based on information supplied by Glenview Capital Management, LLC (or Glenview) in an amended Schedule 13G filed with the SEC on January 5, 2017. As a result of Glenview serving as an investment manager to various investment companies, and Mr. Lawrence M. Robbins serving as the Chief Executive Officer of Glenview, Glenview and Mr. Robbins may be deemed to share voting and dispositive power over all of these shares.

(5) Based on information supplied by Janus Capital Management LLC (or Janus) in a Schedule 13G filed with the SEC on February 13, 2017. Janus has sole voting and dispositive power over 27,156,792 of these shares and shared voting and shared dispositive power over 1,065,300 shares.

(6) Includes 456,621 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2017.

(7) Includes 90,102 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2017.

(8) Includes 82,594 shares issuable upon settlement of restricted share unit awards that vest within 60 days June 16, 2017.

(9) Includes 82,594 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2017.

(10) Includes 13,597 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2017.

(11) Includes 13,597 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2017. Also includes 40,328 shares held indirectly by a living trust, of which Mr. Onetto is a trustee.

(12) Includes 832,090 shares issuable upon settlement of restricted share unit awards that vest within 60 days of June 16, 2017.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Review of Related Person Transactions

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

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

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

Transactions with Related Persons

Mr. McNamara, the Company's CEO and a director, has a daughter-in-law, Lacey Ellis, who was employed by the Company in fiscal year 2017 (and presently). Ms. Ellis was employed as an attorney and earned approximately $249,000 in salary, bonus, share awards, and benefits during fiscal year 2017. The employment and compensation of this family member was approved and established by the Company in accordance the Statement of Policy with Respect to Related Person Transactions as described above and this family member's employment and compensation is in accordance with the Company's employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions.

Other than the foregoing and the compensation agreements and other arrangements described under the sections entitled "*Executive Compensation*" of this proxy statement and "*Non-Management Directors*' *Compensation for Fiscal Year 2017*" of this proxy statement, during fiscal year 2017, there was not, nor is there currently proposed, any transaction or series of similar transactions to which we are or will be a party:

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

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of our ordinary shares to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms that they file. Based solely on our review of the copies of such forms furnished to us and written representations from our executive officers and directors, we believe that all Section 16(a) filing requirements for the fiscal year ended March 31, 2017 were met, except with respect to a late Form 4 filing concerning a gift of shares to a family trust by Mr. Bingham and a late Form 4 filing concerning a gift of shares to a family trust by Mr. Onetto.

SHAREHOLDER PROPOSALS FOR THE 2018 ANNUAL GENERAL MEETING

Shareholder proposals submitted under SEC Rule 14a-8 and intended for inclusion in the proxy statement for our 2018 annual general meeting of shareholders must be received by us no later than March 7, 2018. Any such shareholder proposals must be mailed to us at 6201 America Center Drive, San Jose, California, 95002, U.S.A., Attention: Chief Executive Officer. Any such shareholder proposals may be included in our proxy statement for the 2018 annual general meeting so long as they are provided to us on a timely basis and satisfy the other conditions set forth in applicable rules and regulations promulgated by the SEC. Shareholder proposals submitted outside the processes of SEC Rule 14a-8 are subject to the requirements of the Companies Act, as described in the following paragraph, and applicable rules and regulations promulgated by the SEC. The proxy designated by us will have discretionary authority to vote on any matter properly presented by a shareholder for consideration at the 2018 annual general meeting of shareholders unless notice of such proposal is received by the applicable deadlines prescribed by the Singapore Companies Act.

Under Section 183 of the Companies Act, registered shareholders representing (i) at least 5% of the total voting rights of all registered shareholders having at the date of the requisition, the right to vote at the meeting to which the requisition relates, or (ii) not fewer than 100 registered shareholders holding shares in the Company on which there has been paid up an average sum of at least $500 per shareholder may, at their expense (unless the Company resolves otherwise), requisition that we include and give notice of their proposal for the 2018 annual general meeting. Any such requisition must satisfy the requirements of Section 183 of the Singapore Companies Act, and must be signed by all the requisitionists and be deposited at our registered office in Singapore, No. 2 Changi South Lane, Singapore 486123, at least six weeks prior to the date of the 2018 annual general meeting in the case of a requisition requiring notice of a resolution, or at least one week prior to the date of the 2018 annual general meeting in the case of any other requisition.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Flex incorporates by reference the following sections of our Annual Report on Form 10-K for the fiscal year ended March 31, 2017:

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

SINGAPORE STATUTORY FINANCIAL STATEMENTS

Our Annual Report on Form 10-K for the fiscal year ended March 31, 2017, which was filed with the SEC on May 16, 2017, includes our audited consolidated financial statements, prepared in conformity with accounting principles generally accepted in the United States of America, or U.S. GAAP, together with the Independent Registered Public Accounting Firm's Report of Deloitte & Touche LLP, our independent auditors for the fiscal year ended March 31, 2017. We publish our U.S. GAAP financial statements in U.S. dollars, which is the principal currency in which we conduct our business.

Our Singapore statutory financial statements, prepared in conformity with the provisions of the Companies Act will be made available to our shareholders on our website at *https://investors.flex.com/financials* prior to the date of the 2017 annual general meeting, as required under Singapore law.

Our Singapore statutory financial statements include:

- our consolidated financial statements (which are identical to those included in the Annual Report on Form 10-K, described above);
- supplementary financial statements (which reflect solely the Company's standalone financial results, with our subsidiaries accounted for under the equity method rather than consolidated);
- a Directors' Statement; and
- the Independent Auditors' Report of Deloitte & Touche LLP, our Singapore statutory auditors for the fiscal year ended March 31, 2017.

OTHER MATTERS

Our management does not know of any matters to be presented at the 2017 annual general meeting other than those set forth herein and in the notice accompanying this proxy statement. If any other matters are properly presented for a vote at the 2017 annual general meeting, the enclosed proxy confers discretionary authority to the individuals named as proxies to vote the shares represented by proxy, as to those matters.

It is important that your shares be represented at the 2017 annual general meeting, regardless of the number of shares which you hold. **We urge you to promptly execute and return the accompanying proxy card in the envelope which has been enclosed for your convenience, or to vote or give voting instructions in accordance with the proxy card or Notice.**

Shareholders who are present at the 2017 annual general meeting may revoke their proxies and vote in person or, if they prefer, may abstain from voting in person and allow their proxies to be voted.

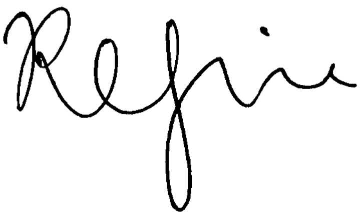
Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports for our beneficial shareholders. This means that only one copy of our proxy materials and our Annual Report on Form 10-K may have been sent to multiple shareholders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

We incorporate by reference information from Note 3 to our audited consolidated financial statements for the fiscal year ended March 31, 2017, "Share-Based Compensation," included in our Annual Report on Form 10-K and the sections entitled "Financial Statements and Supplementary Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosures About Market Risk." Upon request, we will furnish without charge by first class mail or other equally prompt means within one business day of receipt of such request, to each person to whom a proxy statement is delivered a copy of our Annual Report on Form 10-K (not including exhibits). You may request a copy of such information, at no cost, by writing or telephoning us at:

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

Cautionary Note Regarding Forward-Looking Statements: This document contains forward-looking statements within the meaning of U.S. securities law. These forward-looking statements involve risks and uncertainties that could cause the actual results to differ materially from those anticipated by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. These risks include: that future revenues and earnings may not be achieved as expected; the challenges of effectively managing our operations, including our ability to control costs and manage changes in our operations; our dependence on a small number of customers and on customers with short product life cycles; compliance with legal and regulatory requirements; that we may encounter difficulties with acquisitions and divestitures; that the expected revenue and margins from recently launched programs may not be realized; geopolitical risk increased tax expense; and the effects that the current macroeconomic environment could have on our business and demand for our products as well as the effects that current credit and market conditions could have on the liquidity and financial condition of our customers and suppliers, including any impact on their ability to meet their contractual obligations. Additional information concerning these and other risks is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our reports on Forms 10-K and 10-Q that we file with the U.S. Securities and Exchange Commission. The forward-looking statements in this document are based on current expectations and Flex assumes no obligation to update these forward-looking statements.

By order of the Board of Directors,



Tay Hong Chin Regina
Company Secretary
July 5, 2017
Singapore

Upon request, we will furnish without charge to each person to whom this proxy statement is delivered a copy of any exhibit listed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017. You may request a copy of this information at no cost, by writing or telephoning us at:

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

FLEX LTD.

2017 EQUITY INCENTIVE PLAN

ARTICLE 1. PURPOSES OF THE PLAN.

The purposes of the Flex Ltd. 2017 Equity Incentive Plan (the "Plan") are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants, to give recognition to the contributions made or to be made by Outside Directors to the success of the Company and to promote the success of the Company's business by linking the personal interests of Employees, Directors and Consultants to those of the Company's shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's shareholders.

ARTICLE 2. DEFINITIONS.

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronouns shall include the plural where the context so indicates.

2.1 "Affiliate" means any corporation or other entity (including but not limited to partnerships and joint ventures) which is, directly or indirectly through one or more intermediary entities controlled by, or under common control with, the Company.

2.2 "Award" means an award of an Option, SAR, Performance Share, Performance Share Unit, Restricted Share Unit, or any other right or benefit, including any other Share-Based Award under Article 8, granted to a Participant pursuant to the Plan.

2.3 "Award Agreement" means any written agreement, contract, or other instrument or document evidencing the terms and conditions of an Award, including through electronic medium.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Change of Control" shall mean the occurrence of any of the following events:

(a) A transaction or series of transactions (other than an offering of the Shares to the general public through a registration statement filed with the Securities and Exchange Commission ("SEC")) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any one-year period, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than any one or more Directors designated by any person who shall have entered into an agreement with the Company in connection with any transaction described in Section 2.5(a) or Section 2.5(c) hereof) whose election or appointment by the Board or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the Directors then still in office who either were Directors at the beginning of the one-year period (other than vacant seats) or whose election or appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board pursuant to a transaction or other mechanism outside of the normal election process of Directors under the Companies Act and/or the Company's Constitution; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or shares of another entity, in each case other than a transaction:

(i) Which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) After which no person or group, beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; *provided*, *however*, that no person or group shall be treated for purposes of this Section 2.5(c)(ii) as beneficially owning 50% or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; or

(d) The Company's shareholders approve a liquidation or dissolution of the Company.

A transaction will not constitute a Change of Control or other consolidating event if effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity (including where the Company is succeeded by an issuer incorporated under the laws of another state, country or foreign government for such purpose and whether or not the Company remains in existence following such transaction) where all or substantially all of the persons or group that beneficially own all or substantially all of the combined voting power of the Company's voting securities immediately prior to the transaction beneficially own all or substantially all of the combined voting power of the Company in substantially the same proportions of their ownership after the transaction. The Committee shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change of Control of the Company has occurred pursuant to the above definition, and the date of the occurrence of such Change of Control and any incidental matters relating thereto.

2.6 "Code" means the U.S. Internal Revenue Code of 1986, as amended.

2.7 "Committee" means the Compensation Committee of the Board, or such other committee appointed by the Board to administer the Plan.

2.8 "Companies Act" means the Companies Act (Cap 50) of Singapore, as amended.

2.9 "Company" means Flex Ltd., a company incorporated in Singapore, or any successor corporation.

2.10 "Consultant" means an individual consultant or independent contractor who provides services to the Company or any Parent, Subsidiary or Affiliate.

2.11 "Covered Employee" means an Employee who is, or could be, a "covered employee" within the meaning of Section 162(m) of the Code.

2.12 "Director" means a member of the Board, or as applicable, a member of the board of directors of a Parent, Subsidiary or Affiliate qualified under Section 146 of the Companies Act (where applicable in the case of a Singapore incorporated company).

2.13 "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determined physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment, such as a treating physician's written certification, sufficient to satisfy the Committee in its discretion. Notwithstanding the foregoing, for purposes of Incentive Stock Options granted under this Plan, "Disability" means that the Participant is disabled within the meaning of Section 22(e)(3) of the Code.

2.14 "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

2.15 "Effective Date" shall have the meaning set forth in Section 13.1 hereof.

2.16 "Eligible Individual" means any person who is an Employee, Director or Consultant, as determined by the Committee.

2.17 "Employee" means a full time or part time employee of the Company or any Parent, Subsidiary or Affiliate, including an officer or Director, who is treated as an employee in the personnel records of the Company or any Parent, Subsidiary or Affiliate for the relevant period, but shall exclude individuals who are classified by the Company or any Parent, Subsidiary or Affiliate as (a) leased from or otherwise employed by a third party, (b) independent contractors or (c) intermittent or temporary, even if any such classification is changed retroactively as a result of an audit, litigation or otherwise. A Participant shall not cease to be an Employee in the case of (i) any vacation or sick time or otherwise approved paid time off in accordance with the Company or a Parent, Subsidiary or Affiliate's policy or (ii) transfers between locations of the Company or between the Company and/or any Parent, Subsidiary or Affiliate. Neither services as a Director nor payment of a director's fee by the Company or Parent, Subsidiary or Affiliate shall be sufficient to constitute "employment" by the Company or any Parent, Subsidiary or Affiliate.

2.18 "Fair Market Value" means, as of any given date, (a) if Shares are traded on any established stock exchange, the closing price of a Share as quoted on the principal exchange on which the Shares are listed, as reported in the Wall Street Journal (or such other source as the Committee may deem reliable for such purposes) for such date, or if no sale occurred on such date, the first trading date immediately prior to such date during which a sale occurred; or (b) if Shares are not traded on an exchange but are regularly quoted on a national market or other quotation system, the closing sales price on such date as quoted on such market or system, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported; or (c) in the absence of an established market for the Shares of the type described in (a) or (b) of this Section 2.18, the fair market value established by the Committee acting in good faith. For purposes of a "net exercise" procedure for Options, the Committee may apply a different method for calculating Fair Market Value.

2.19 "Full-Value Award" means any Award other than an Option, SAR or other Award for which the Participant pays a minimum of the Fair Market Value of the Shares, as determined as of the date of grant.

2.20 "Incentive Stock Option" means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.21 "Insider" means an officer or Director of the Company or any other person whose transactions in the Company's Shares are subject to Section 16 of the Exchange Act.

2.22 "Non-Qualified Stock Option" means an Option that is not intended to be an Incentive Stock Option.

2.23 "Option" means a right granted to a Participant pursuant to Article 5 to purchase a specified number of Shares at a specified price during specified time periods. An Option may either be an Incentive Stock Option or a Non-Qualified Stock Option.

2.24 "Ordinary Shares" means ordinary shares or "Shares" of in the capital of the Company for delivery under this Plan, and any successor security.

2.25 "Outside Director" means a member of the Board who is not an Employee.

2.26 "Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns Shares possessing more than 50% of the total combined voting power of all classes of Shares in one of the other corporations in such chain or a "parent corporation" within the meaning of Section 424(e) of the Code.

2.27 "Participant" means any Eligible Individual who, as a Director, Employee or Consultant, has been granted an Award pursuant to the Plan.

2.28 "Performance-Based Award" means an Award granted pursuant to Article 9.

2.29 "Performance Criteria" means such factors as may be selected by the Committee, in its sole discretion, to determine whether the performance goals established by the Committee and applicable to Awards have been satisfied. In the case of an Award that is intended to qualify as Qualified Performance-Based Compensation, such factors shall be limited to one or any combination of the following measures:

(a) Net revenue and/or net revenue growth;

(b) Earnings before income taxes and amortization and/or earnings before income taxes and amortization growth;

(c) Operating income and/or operating income growth;

(d) Net income and/or net income growth;

(e) Cash flow, operating income, or net income margins;

(f) Earnings per share and/or earnings per share growth;

(g) Total shareholder return and/or total shareholder return growth;

(h) Return on equity;

(i) Operating or free cash flow;

(j) Economic value added;

(k) Return on invested capital; and

(l) Individual confidential business objectives.

2.30 "Performance Goals" means, for a Performance Period, the goals established in writing by the Committee for the Performance Period based upon the Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance, the performance of a Parent, Subsidiary or Affiliate, the performance of a division or a business unit of the Company or a Parent, Subsidiary or Affiliate, or the performance of an Eligible Individual. The Committee, in its discretion, may, to the extent consistent with, and within the time prescribed by, Section 162(m) of the Code, provide for the appropriate adjustment or modification of the Performance Goals for such Performance Period to reflect any Extraordinary Events. "Extraordinary Events" means any objectively determinable component of a Performance Goal, including without limitation foreign exchange gains and losses, asset write downs, acquisitions and divestitures, change in fiscal year, unbudgeted capital expenditures, special charges such as restructuring or impairment charges, debt refinancing costs, extraordinary or noncash items, unusual, infrequently occurring, nonrecurring or one-time events affecting the Company or its financial statements or changes in law or accounting principles.

2.31 "Performance Period" means the one or more periods of time, which may be of varying and overlapping durations, as the Committee may select but not less than one (1) year in duration, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance-Based Award.

2.32 “Performance Share” means a right granted to a Participant pursuant to Section 8.2 hereof, to receive Shares, the payment of which is contingent upon achieving certain Performance Goals or other performance-based targets established by the Committee, and shall be evidenced by a bookkeeping entry representing the equivalent of one Share.

2.33 “Performance Share Unit” means a right granted to a Participant pursuant to Section 8.3 hereof, to receive Shares, the payment of which is contingent upon achieving certain Performance Goals or other performance-based targets established by the Committee, and shall be evidenced by a bookkeeping entry representing the equivalent of one Share.

2.34 “Plan” means this Flex Ltd. 2017 Equity Incentive Plan, as it may be amended from time to time.

2.35 “Prior Plan(s)” means the Company’s 2001 Equity Incentive Plan, the Company’s 2002 Interim Incentive Plan, the Solectron Corporation 2002 Stock Plan, the Company’s 2004 Award Plan for New Employees and/or the Company’s 2010 Equity Incentive Plan.

2.36 “Qualified Performance-Based Compensation” means any compensation that is intended to qualify as “qualified performance-based compensation” as described in Section 162(m)(4)(C) of the Code.

2.37 “Restricted Share Unit” means an Award granted pursuant to Section 8.4 hereof and shall be evidenced by a bookkeeping entry representing the equivalent of one Share.

2.38 “Securities Act” shall mean the U.S. Securities Act of 1933, as amended.

2.39 “Share-Based Award” means any Award settled in Shares granted under Article 8 of this Plan.

2.40 “Share Appreciation Right” or “SAR” means a right granted pursuant to Article 7 to receive a payment equal to the excess of the Fair Market Value of a specified number of Shares on the date the SAR is exercised over the grant price on the date the SAR was granted as set forth in the applicable Award Agreement.

2.41 “Subsidiary” means any “subsidiary corporation” as defined in Section 424(f) of the Code and any applicable regulations promulgated thereunder, any other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company. For purposes of granting Options or any other “stock rights” within the meaning of Section 409A of the Code, an entity shall not be considered a Subsidiary if granting such stock right would result in the stock right becoming subject to Section 409A of the Code.

2.42 “Termination of Service” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an Employee, Director or Consultant. An Employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) vacation leave (iii) military leave, (iv) transfers of employment between the Company and any Parent, Subsidiary or Affiliate; or (iv) any other leave of absence approved by the Committee, provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to Employees in writing. In the case of any Employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent, Subsidiary or Affiliate as it may deem appropriate, except that in no event may an Option be exercised after the expiration of the term set forth in the applicable Award Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the “Termination Date”).

ARTICLE 3. SHARES SUBJECT TO THE PLAN AND LIMITATIONS.

3.1 Number of Shares Available.

(a) Subject to Section 3.3 and Article 11, the total number of Shares reserved and available for grant and issuance pursuant to this Plan (including upon the exercise of an Incentive Stock Option) will be 22,000,0000 Shares. The Shares authorized for delivery to Participants under this Plan of up to 22,000,000 Shares may be used to grant Incentive Stock Options ("ISOs") during the term of this Plan. Any Shares that are subject to an Award shall be counted against this limit as one (1) Share for every one (1) Share granted or subject to grant for any such Award.

To the extent that an Award, including any previous outstanding grants made under any Prior Plan, terminates, is forfeited, is canceled, expires, lapses for any reason, or is settled in cash, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan.

(b) Any Shares withheld to satisfy the grant or Exercise Price or tax withholding obligation pursuant to any Award or Exercise Price or tax withholding obligation pursuant to any Award, whereby the Participant shall be (i) deemed to have waived his right to delivery of the full number of Shares in respect of which the Option is exercised; and (ii) deemed to have agreed to receive the number of Shares (after deducting the number of Shares withheld) as calculated by the Committee in its absolute discretion and shall be deducted from the aggregate number of shares which may be issued under Section 3.1(a). For the avoidance of doubt, the gross number of shares subject to a Share Appreciation Right shall be deducted from the aggregate number of shares which may be issued under Section 3.1(a), regardless of the number of Shares delivered to the applicable Participant. Further, any Shares acquired by the Company to satisfy the grant or Exercise Price or tax withholding obligations (if and to the extent permitted by applicable law) pursuant to any Award shall not be added to the aggregate number of Shares which may be issued under Section 3.1(a). To the extent permitted by applicable law or any exchange rule, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary or Affiliate shall not be counted against Shares available for grant pursuant to this Plan.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist in whole or in part, of Shares allotted and issued and/or transferred to the Participant (which may in the case of a transfer of Shares and to the extent permitted by law, include Shares held by the Company as treasury Shares).

3.3 Limitation on Number of Shares Subject to Awards. Notwithstanding any provision in the Plan to the contrary, and subject to Article 11, where it is intended to comply with Section 162(m) of the Code, the maximum number of Shares that are subject to or covered or measured by one or more Awards that may be granted to any one Participant during any calendar year shall be 10,000,000 Shares. Further, where it is intended to comply with Section 162(m) of the Code, the maximum amount that may be paid in cash during any calendar year with respect to any Award shall be an amount equal to the preceding share limitation multiplied by the average daily trading price of the Shares during the preceding calendar year. To the extent required by Section 162(m) of the Code, in applying the foregoing limitation with respect to a Participant, if any Award is canceled, the canceled Award shall continue to count against the maximum number of Shares with respect to which an Award may be granted to a given Participant.

3.4 Limit on Non-Employee Director Compensation. The aggregate value of cash compensation and grant date Fair Market Value of Shares that may be paid or granted during any calendar year of the Company to any Outside Director shall not exceed $800,000.

3.5 Minimum Vesting Requirements. No Award granted under the Plan shall become exercisable or vested prior to the one-year anniversary of the date of grant; provided, however, that, such restriction shall not apply to Awards granted under this Plan with respect to the number of

Shares which, in the aggregate, does not exceed five percent (5%) of the total number of Shares initially available for Awards under this Plan. This Section 3.1 shall not restrict the right of the Committee to accelerate or continue the vesting or exercisability of an Award upon or after a Change of Control or termination of employment or otherwise pursuant to Section 12.1 of the Plan.

ARTICLE 4. ELIGIBILITY AND PARTICIPATION.

4.1 Eligibility. Awards may be granted to Eligible Individuals; however, ISOs shall only be awarded to “employees” of the Company, or a Parent or Subsidiary within the meaning of Section 422 of the Code. A person may be granted more than one Award under this Plan.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all Eligible Individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No Eligible Individual shall have any right by virtue of this Plan to receive an Award pursuant to this Plan.

ARTICLE 5. OPTIONS.

5.1 General. The Committee is authorized to grant Options to Eligible Individuals on the following terms and conditions:

(a) Exercise Price. The exercise price per Share (“Exercise Price”) subject to an Option shall be determined by the Committee and set forth in the Award Agreement; provided that: (i) the Exercise Price shall not be less than 100% of the Fair Market Value of a Share on the date of grant and the Exercise Price of any ISO granted to a Ten Percent Shareholder (as set forth in Section 5.2(c) below) will not be less than 110% of the Fair Market Value of the Shares on the date of grant.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part; *provided* that the term of any Option granted under the Plan shall not exceed (i) ten (10) years from the date of grant thereof for Employees (other than Employees of Affiliates which are not related corporations (as defined under the Companies Act) of the Company); and (ii) five (5) years from the date of grant thereof for Outside Directors, Consultants and Employees of Affiliates which are not related corporations (as defined under the Companies Act) of the Company. The Committee shall also determine the performance goals or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the Exercise Price of an Option may be paid, the form of payment, including, without limitation: (i) cash or check, (ii) through the withholding of Shares otherwise deliverable upon exercise of the Award, whereby the Participant shall be (1) deemed to have waived his right to delivery of the full number of Shares in respect of which the Option is exercised; and (2) deemed to have agreed to receive the number of Shares (after deducting the number of Shares which have a Fair Market Value on the date of exercise equal to the aggregate Exercise Price of the Shares as to which the Award shall be exercised) as calculated by the Committee in its absolute discretion, (iii) through a “same day sale” commitment from the Participant and a broker-dealer that is a member of the Financial Industry Regulatory Authority (a “FINRA” dealer) whereby the Participant irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased to pay the Exercise Price, and whereby the FINRA dealer irrevocably commits upon receipt of such Shares, to remit such amounts to the Company provided that treasury shares shall be utilized for delivery in this connection, (iv) other property acceptable to the Committee (including through the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Exercise Price where treasury shares shall be utilized for delivery in this connection; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, or (v) any combination of the foregoing methods of payment. The Committee shall also determine the methods by which Shares shall be delivered or deemed to be delivered to Participants. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director of the Company (as defined under the Companies Act from time to time) or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the Exercise Price of an Option, or continue any extension of credit with respect to the Exercise Price of an Option with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act and/or Section 162 of the Companies Act.

(d) <u>Evidence of Grant</u>. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

5.2 <u>Incentive Stock Options</u>. ISOs shall be granted only to “employees” of the Company, or a Parent or Subsidiary within the meaning of Section 422 of the Code, and the terms of any ISOs granted pursuant to the Plan, in addition to the requirements of <u>Section 5.1</u> hereof, must comply with the provisions of this <u>Section 5.2</u>.

(a) <u>Expiration</u>. Subject to <u>Section 5.2(c)</u> hereof, an ISO shall expire and may not be exercised to any extent by anyone after the first to occur of the following events:

(i) Ten (10) years from the date it is granted unless an earlier time is set in the Award Agreement;

(ii) Three months after the Participant’s Termination of Service; and

(iii) One year after the date of the Participant’s Termination of Service on account of Disability or death. Upon the Participant’s Disability or death, any ISOs exercisable at the Participant’s Disability or death may be exercised by the Participant’s legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant’s last will and testament, or, if the Participant fails to make testamentary disposition of such ISO or dies intestate, by the person or persons entitled to receive the ISO pursuant to the applicable laws of descent and distribution.

(b) <u>Dollar Limitation</u>. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which ISOs are first exercisable by a Participant in any calendar year may not exceed $100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that ISOs are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Stock Options.

(c) <u>Ten Percent Shareholder</u>. An ISO shall be granted to any individual who, at the date of grant, owns shares possessing more than ten percent of the total combined voting power of all classes of Shares of the Company (a “<u>Ten Percent Shareholder</u>”) only if such Option is granted at a price that is not less than 110% of Fair Market Value on the date of grant and the Option is exercisable for no more than five years from the date of grant.

(d) <u>Notice of Disposition</u>. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an ISO within (i) two years from the date of grant of such Incentive Stock Option or (ii) one year after the transfer of such Shares to the Participant.

(e) <u>Right to Exercise</u>. During a Participant’s lifetime, an ISO may be exercised only by the Participant.

(f) Failure to Meet Requirements. Any Option (or portion thereof) purported to be an ISO, which, for any reason, fails to meet the requirements of Section 422 of the Code shall be considered a Non-Qualified Stock Option.

5.3 Exemption from Section 409A. It is intended that all Options granted under this Plan will be exempt from Section 409A of the Code.

5.4 Substitution of SARs. The Committee may provide in the Award Agreement evidencing the grant of an Option that the Committee, in its sole discretion, shall have to right to substitute a SAR for such Option at any time prior to or upon exercise of such Option; provided, that such SAR shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable.

ARTICLE 6. GRANTS TO OUTSIDE DIRECTORS.

6.1 Types of Options and Shares. Options granted under this Plan and subject to this Article 6 shall be Non-Qualified Stock Options.

6.2 Eligibility. Options subject to this Article 6 shall be granted only to Outside Directors. In no event, however, may any Outside Director be granted any Options under this Article 6 if such grant is prohibited, or (b) restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with), in the jurisdiction in which such Outside Director is resident under the relevant securities laws of that jurisdiction.

6.3 Vesting and Exercisability. The date an Outside Director is granted an Option is referred to in this Plan as the "Start Date" for such Option. Each Option will vest and become exercisable according to the terms set forth by the Committee in the applicable Award Agreement as long as the Outside Director continuously remains a Director or a Consultant on each applicable vesting date. Notwithstanding anything to the contrary in Article 5, no Options granted to an Outside Director will be exercisable after the expiration of five (5) years from the date the Option is granted to such Outside Director. If the Outside Director is Terminated, the Outside Director may exercise his or her Options only to the extent that such Options would have been exercisable upon the Termination Date for such period as set forth in the Award Agreement. Notwithstanding any provision to the contrary, in the event of a Change of Control, the Committee may accelerate the vesting of all Options granted to Outside Directors in its discretion and such Options will become exercisable in full prior to the consummation of such Change of Control at such times and on such conditions as the Committee determines, and must be exercised, if at all, within three (3) months of the consummation of said Change of Control event.

6.4 Exercise Price. The Exercise Price of an Option granted under this Article 6 shall be not less than 100% of the Fair Market Value of a Share on the Start Date.

ARTICLE 7. SHARE APPRECIATION RIGHTS.

7.1 Grant of SARs.

(a) A SAR shall be subject to such terms and conditions not inconsistent with the Plan as the Committee shall impose and shall be evidenced by an Award Agreement, provided that the term of any SAR shall not exceed seven years.

(b) A SAR shall entitle the Participant (or other person entitled to exercise the SAR pursuant to the Plan) to exercise all or a specified portion of the SAR (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount equal to the product of (i) the excess of (A) the Fair Market Value of the Shares on the date the SAR is exercised over (B) the grant price of the SAR and (ii) the number of Shares with respect to which the SAR is exercised, subject to any limitations the Committee may impose.

7.2 Grant Price. The grant price per Share subject to a SAR shall be determined by the Committee and set forth in the Award Agreement; provided that the per Share grant price for any SAR shall not be less than 100% of the Fair Market Value of a Share on the date of grant.

7.3 Payment and Limitations on Exercise.

(a) Subject to Section 7.3(b) hereof, payment of the amounts determined under Section 7.1(b) hereof shall be in cash, in Shares (based on its Fair Market Value as of the date the SAR is exercised) or a combination of both, as determined by the Committee.

(b) To the extent any payment under Section 7.1(b) hereof is effected in Shares, it shall be made subject to satisfaction of all provisions of Article 5 pertaining to Options.

ARTICLE 8. OTHER TYPES OF SHARE-BASED AWARDS.

8.1 General Restrictions on Share-Based Awards. Share-Based Awards granted under this Article 8 may be based on a completion of a specified number of years of service with the Company or a Parent, Subsidiary, or Affiliate of the Company or upon the completion of Performance Goals as set by the Committee.

8.2 Performance Share Awards. Performance Share Awards shall be denominated in a number of Shares and may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee, in each case on a specified date or dates or over any Performance Period or Periods determined by the Committee.

8.3 Performance Share Units. Performance Share Unit awards shall be denominated in unit equivalents of Shares and/or units of value including the dollar value of Shares and which may be linked to any one or more of the Performance Criteria or other specific performance criteria determined appropriate by the Committee, in each case on a specified date or dates or over any Performance Period or Periods determined by the Committee. On the vesting date, the Company shall, subject to Section 10.7, transfer to the Participant one unrestricted, fully transferable Share for each Performance Share Unit scheduled to be paid out on such date and not previously forfeited. Alternatively, settlement of a Performance Share Unit may be made in cash (in an amount reflecting the Fair Market Value of Shares that would have been issued) or any combination of cash and Shares, as determined by the Committee in its sole discretion, at the time of grant of the Performance Share Units.

8.4 Restricted Share Units. Restricted Share Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement evidencing the grant of the Restricted Share Units. Restricted Share Unit Awards shall be denominated in unit equivalents of Shares and/or units of value including dollar value of Shares in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the settlement date applicable to each grant of Restricted Share Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the grantee. On the maturity date, the Company shall, subject to Section 10.7, transfer to the Participant one unrestricted, fully transferable Share for each Restricted Share Unit scheduled to be paid out on such date and not previously forfeited. Alternatively, settlement of a Restricted Share Units may be made in cash or any combination of cash and Shares, as determined by the Committee, in its sole discretion, at the time of grant of the Restricted Share Units.

8.5 Other Share-Based Awards. The Committee is authorized under the Plan to make any other Award to an Eligible Individual that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) a right with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of Performance Criteria or other conditions, or (iii) any other security with the value derived from the value of the Shares. The Committee may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Participants on such terms and conditions as determined by the Committee from time to time.

8.6 Term. Except as otherwise provided herein, the term of any Award of Performance Shares, Performance Share Units, Restricted Share Units and any other Share-Based Award granted pursuant to this Article 8 shall be set by the Committee in its discretion.

8.7 Form of Payment. Payments with respect to any Awards granted under this Article 8 shall be made in cash, in Shares or a combination of both, as determined by the Committee, at the time of grant of the Awards.

8.8 Timing of Settlement. At the time of grant, the Committee shall specify the settlement date applicable to an Award of Performance Shares, Performance Share Units, Restricted Share Units or any other Share-Based Award granted pursuant to this Article 8, which shall be no earlier than the vesting date(s) applicable to the relevant Award and may be later than the vesting date(s) to the extent and under the terms determined by the Committee.

ARTICLE 9. PERFORMANCE-BASED AWARDS.

9.1 Purpose. The purpose of this Article 9 is to provide the Committee the ability to qualify Awards, other than Options and SARs, and that are granted pursuant to Article 8 as Qualified Performance-Based Compensation. If the Committee, in its discretion, decides to grant a Performance- Based Award to a Covered Employee, the provisions of this Article 9 shall control over any contrary provision contained in Article 8; provided, however, that the Committee may in its discretion grant Awards to Covered Employees that are based on Performance Criteria or Performance Goals but that do not satisfy the requirements of this Article 9.

9.2 Applicability. This Article 9 shall apply only to those Covered Employees selected by the Committee to receive Performance-Based Awards that are intended to qualify as Qualified Performance-Based Compensation. The designation of a Covered Employee as a Participant for a Performance Period shall not in any manner entitle the Participant to receive an Award for the period. Moreover, designation of a Covered Employee as a Participant for a particular Performance Period shall not require designation of such Covered Employee as a Participant in any subsequent Performance Period and designation of one Covered Employee as a Participant shall not require designation of any other Covered Employees as a Participant in such period or in any other period.

9.3 Procedures with Respect to Performance-Based Awards. To the extent necessary to comply with the Qualified Performance-Based Compensation requirements of Section 162(m)(4)(C) of the Code, with respect to any Award granted under Article 8 which may be granted to one or more Covered Employees, no later than ninety (90) days following the commencement of any fiscal year in question or any other designated fiscal period or period of service (or such other time as may be required or permitted by Section 162(m) of the Code), the Committee shall, in writing, (a) designate one or more Covered Employees, (b) select the Performance Criteria applicable to the Performance Period, (c) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period, and (d) specify the relationship between Performance Criteria and the Performance Goals and the amounts of such Awards, as applicable, to be earned by each Covered Employee for such Performance Period. Following the completion of each Performance Period, the Committee shall certify in writing whether the applicable Performance Goals have been achieved for such Performance Period. In determining the amount earned by a Covered Employee, the Committee shall have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant to the assessment of individual or corporate performance for the Performance Period.

9.4 Payment of Performance-Based Awards. Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company, or a Parent, Subsidiary or Affiliate on the day a Performance-Based Award for the appropriate Performance Period is paid to the Participant. Furthermore, a Participant shall be eligible to receive payment pursuant to a Performance-Based Award for a Performance Period only if the Performance Goals for such period are achieved. In determining the amount earned under a Performance-Based Award, the Committee may reduce or eliminate the amount of the Performance-Based Award earned for the Performance Period, if in its sole and absolute discretion, such reduction or elimination is appropriate.

9.5 Additional Limitations. Notwithstanding any other provision of the Plan, any Award which is granted to a Covered Employee and is intended to constitute Qualified Performance-Based Compensation shall be subject to any additional limitations set forth in Section 162(m) of the Code (including any amendment to Section 162(m) of the Code) or any regulations or rulings issued thereunder that are requirements for qualification as qualified performance-based compensation as described in Section 162(m)(4)(C) of the Code, and the Plan shall be deemed amended to the extent necessary to conform to such requirements.

ARTICLE 10. PROVISIONS APPLICABLE TO AWARDS.

10.1 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

10.2 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event of a Participant's Termination of Service, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

10.3 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than to or in the favor of the Company or a Parent, Subsidiary or Affiliate to the extent permitted by and in accordance with the provisions of the Companies Act. Except as otherwise provided herein, no Award shall be assigned, transferred, or otherwise disposed of by a Participant other than by will or the laws of descent and distribution or pursuant to beneficiary designation procedures approved from time to time by the Committee (or the Board in the case of Awards granted to Outside Directors). The Committee by express provision in the Award Agreement or an amendment thereto may, subject to applicable laws, permit an Award (other than an ISO) to be transferred to, exercised by and paid to members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes (or to a "blind trust" in connection with the Participant's Termination of Service or employment with the Company or a Parent, Subsidiary or Affiliate to assume a position with a governmental, charitable, educational or similar non-profit institution) and on a basis consistent with the Company's lawful issue of securities.

10.4 Termination of Service. Any Award granted under this Plan shall only be exercisable or payable while the Participant is an Employee or Director, as applicable; provided, however, that the Committee in its sole and absolute discretion may provide that any Award may be exercised or paid subsequent to a Termination of Service, as applicable, or following a Change of Control, or because of the Participant's retirement, death or disability, or otherwise; provided, however, that any such provision with respect to Performance Shares or Performance Share Units shall be subject to the requirements of Section 162(m) of the Code that apply to Qualified Performance-Based Compensation.

10.5 Beneficiaries. Notwithstanding Section 10.3 hereof, a Participant may, if permitted by the Committee and any applicable local laws, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to either the person's estate or legal representative or the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution (or equivalent laws outside the U.S.). Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

10.6 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing Shares pursuant to the exercise or vesting of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All certificates evidencing Shares delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state local, securities or other laws, including laws of jurisdictions outside of Singapore and the United States, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any certificate evidencing Shares to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

10.7 Accelerated Vesting and Deferral Limitations. The Committee shall not have the discretionary authority to accelerate or delay issuance of Shares under an Award that constitutes a deferral of compensation within the meaning of Section 409A of the Code, except to the extent that such acceleration or delay may, in the discretion of the Committee, be effected in a manner that will not cause any person to incur taxes, interest or penalties under Section 409A of the Code.

10.8 Dividends and Dividend Equivalents. No dividends may be paid to a Participant with respect to an Award prior to the vesting of such Award. An Award may provide for dividends or dividend equivalents to accrue on behalf of a Participant as of each dividend payment date during the period between the date the Award is granted and the date the Award is exercised, vested, expired, credited or paid, and to be converted to vested cash or Shares at the same time and subject to the same vesting conditions that apply to the Shares to which such dividends or dividend equivalents relate.

ARTICLE 11. CHANGES IN CAPITAL STRUCTURE.

11.1 Adjustments. Should any change be made to the Shares issuable under the Plan by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares, spin-off, extraordinary cash dividend or other change affecting the outstanding Shares as a class without the Company's receipt of consideration, then appropriate adjustments shall be made to (i) the maximum number and/or class of securities issuable under the Plan, (ii) the maximum number and/or class of securities for which any Participant may be granted Awards under the terms of the Plan or that may be granted generally under the terms of the Plan, and (iii) the number and/or class of securities and price per Share in effect under each Award outstanding under Articles 5 through 8. Such adjustments to the outstanding Awards are to be effected in a manner which shall preclude the enlargement or dilution of rights and benefits under such Awards Notwithstanding anything herein to the contrary, an adjustment to an Award under this Section 11.1 may not be made in a manner that would result in the grant of a new Option or SAR under Code Section 409A. The adjustments determined by the Committee shall be final, binding and conclusive.

11.2 Change of Control.

(a) Notwithstanding Section 11.1 hereof, and except as may otherwise be provided in any applicable Award Agreement or other written agreement entered into between the Company and a Participant, if a Change of Control occurs and a Participant's Full-Value Awards are not converted, assumed, or replaced by a comparable award by a successor or survivor corporation, or a parent or subsidiary thereof, such Full-Value Awards shall automatically vest and become fully exercisable and all forfeiture restrictions on such Awards shall lapse immediately prior to the Change of Control and following the consummation of such Change in Control, the Award shall terminate and cease to be outstanding. Further, if a Change of Control occurs and a Participant's Options or SARs are not converted, assumed or replaced by a comparable award by a successor or survivor corporation, or a parent or subsidiary therefore, such Options or SARs outstanding at the time of the Change of Control, shall automatically vest and become fully exercisable immediately prior to the Change of Control and thereafter shall automatically terminate. In the event that the terms of any agreement (other than the Award Agreement) between the Company or any Subsidiary or Affiliate and a Participant contains provisions that conflict with and are more restrictive than the provisions of this Section 11.2(a), this Section 11.2(a) shall prevail and control and the more restrictive terms of such agreement (and only such terms) shall be of no force or effect. The determination of comparability in this Section 11.2(a) shall be made by the Committee, and its determination shall be final, binding and conclusive.

(b) Where Awards are assumed or continued after a Change of Control, the Committee may provide that one or more Awards will automatically accelerate upon an involuntary Termination of Service within a designated period (not to exceed eighteen (18) months) following the effective date of such Change of Control. If the Committee so determines, any such Award shall accordingly, immediately prior to the effective date of such Change of Control or upon an involuntary Termination of Service following a Change of Control (at the Committee's discretion), become fully exercisable and all forfeiture restrictions on such Awards shall lapse.

(c) The portion of any Incentive Stock Option accelerated in connection with a Change in Control shall remain exercisable as an Incentive Stock Option only to the extent the applicable One Hundred Thousand Dollar ($100,000) limitation is not exceeded. To the extent such dollar limitation is exceeded, the accelerated portion of such Option shall be exercisable as a Non-Statutory Option under the U.S. federal tax laws.

11.3 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of Shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of Shares of any class, or securities convertible into Shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to an Award or the grant or the Exercise Price of any Award.

ARTICLE 12. ADMINISTRATION.

12.1 Authority of Committee. This Plan will be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. The Committee will have the authority to:

(a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;

(c) designate Eligible Individuals to receive Awards;

(d) determine the form and terms of Awards;

(e) determine the number of Awards to be granted and the number of Shares or other consideration subject to Awards;

(f) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent, Subsidiary or Affiliate of the Company;

(g) grant waivers of Plan or Award conditions;

(h) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the Exercise Price or Grant Price, any restrictions or limitations on the Award, any schedule for the lapse of forfeiture restrictions or restrictions on the exercisability of an Award, vesting, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines; provided, however, that the Committee shall not have the authority to accelerate the vesting or waive the forfeiture of any Performance-Based Awards intended to qualify as Qualified Performance Based-Compensation, except as permitted under Section 162(m) of the Code;

(i) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;

(j) determine whether the Performance Goals under any Performance-Based Award have been met;

(k) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(l) determine the methods that may be used to pay the Exercise Price or Grant Price of an Award;

(m) establish, adopt, or revise any rules and regulations including adopting sub-plans to the Plan as the Committee may deem necessary or advisable under local law;

(n) suspend or terminate the Plan at any time provided that such suspension or termination does not impair the rights and obligations under any outstanding Award without written consent of the affected Participant;

(o) determine the Fair Market Value of the Shares for any purpose; and

(p) make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

12.2 Committee Discretion. Any determination made by the Committee with respect to any Award will be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of this Plan or Award, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan.

12.3 Delegation of Authority. To the extent permitted by applicable law, the Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority to grant or amend Awards to Participants other than Insiders to whom authority to grant or amend Awards has been delegated hereunder. For the avoidance of doubt, provided it meets the limitation in the preceding sentence, this delegation shall include the right to modify Awards as necessary to accommodate changes in the laws or regulations, including in jurisdictions outside the United States. Any delegation hereunder shall be subject to the restrictions and limits that the Committee specifies at the time of such delegation, and the Committee may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 12.3 shall serve in such capacity at the pleasure of the Committee.

ARTICLE 13. EFFECTIVE AND EXPIRATION DATE.

13.1 Effective Date. The Plan is effective as of the date the Plan is adopted by the Board (the "Effective Date"). This Plan shall be approved by the Company's shareholders within twelve months (12) months after the date the Plan is adopted by the Board. The Plan will be deemed to be approved by the shareholders if it is approved by a majority of the votes cast at a duly held shareholders' meeting at which a quorum representing a majority of outstanding voting shares is, either in person or by proxy, present and voting on the Plan.

13.3 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after the tenth anniversary of the Effective Date, except that no Incentive Stock Options may be granted under the Plan after the earlier of the tenth anniversary of (a) the date the Plan is approved by the Board or (b) the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 14. AMENDMENT, MODIFICATION, AND TERMINATION.

14.1 Amendment, Modification, and Termination. The Committee has complete and exclusive power and authority to amend or modify the Plan (or any component thereof) in any or all respects whatsoever. However, (i) no such amendment or modification shall materially and adversely affect rights and obligations with respect to Awards at the time outstanding under the Plan, unless the Participant consents to such amendment, and (ii) the grants to Outside Directors pursuant to Article 6 may not be amended at intervals more frequently than once every six (6) months, other than to the extent necessary to comply with applicable U.S. income tax laws and regulations. In addition, the Committee may not, without the approval of the Company's shareholders, amend the Plan to (i) materially increase the maximum number of Shares issuable under the Plan or the maximum number of Shares for which any one individual participating in the Plan may be granted Awards, (ii) materially modify the eligibility requirements for Plan participation or (iii) materially increase the benefits accruing to Participants. Further, the repricing, replacement or regranting of any previously granted Award, through cancellation or by lowering the Exercise Price of such Award, shall be prohibited unless the shareholders of the Company first approve such repricing, replacement or regranting. No underwater Option or SAR may be cancelled in exchange for, or in connection with the payment of a cash amount without shareholder approval. The Committee may at any time terminate or amend this Plan in any respect, including without limitation amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided, however, that the Committee will not, without the approval of the shareholders of the Company, amend this Plan in any manner that requires such shareholder approval under Nasdaq or other stock exchange listing requirements then applicable to the Company.

14.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 15.13 hereof, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant; provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non-Qualified Stock Option shall not be treated as adversely affecting the rights of the Participant.

ARTICLE 15. GENERAL PROVISIONS.

15.1 No Rights to Awards. No Eligible Individual or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Eligible Individuals, Participants or any other persons uniformly.

15.2 No Shareholders Rights. Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award, including the right to vote or receive dividends, until the Participant becomes the owner of such Shares, notwithstanding the exercise or vesting of an Option or other Award.

15.3 Withholding. The Company or any Subsidiary or Affiliate, as appropriate, shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy U.S. federal, state, or local taxes and any taxes imposed by jurisdictions outside of the United States (including income tax, social insurance contributions, payment on account and any other taxes that may be due) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan or to take such other action as may be necessary in the opinion of the Company or a Parent, Subsidiary or Affiliate, as appropriate, to satisfy withholding obligations for the payment of taxes by any means authorized by the Committee. No Shares shall be delivered hereunder to any Participant or other person until the Participant or such other person has made arrangements acceptable to the Committee for the satisfaction of these tax obligations with respect to any taxable event concerning the Participant or such other person arising as a result of Awards made under this Plan.

15.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employ or service of the Company or any Parent, Subsidiary or Affiliate.

15.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary or Affiliate.

15.6 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, termination programs and/or indemnities or severance payments, welfare or other benefit plan of the Company or any Parent, Subsidiary or Affiliate except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder, or as expressly provided by applicable law.

15.7 Expenses. The expenses of administering the Plan shall be borne by the Company and/or its Subsidiaries and/or Affiliates.

15.8 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

15.9 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding down as appropriate.

15.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 under the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

15.11 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all applicable laws, rules, and regulations of Singapore and the United States and jurisdictions outside of Singapore and United States, and to such approvals by government agencies, including government agencies in jurisdictions outside of Singapore and the United States, in each case as may be required or as the Company deems necessary or advisable. Without limiting the foregoing, the Company shall have no obligation to issue or deliver evidence of title for Shares subject to Awards granted hereunder prior to: (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable, and

(ii) completion of any registration or other qualification with respect to the Shares under any applicable law in Singapore or the United States or in a jurisdiction outside of Singapore or the United States or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective. The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained. The Company shall be under no obligation to register Shares issued or paid pursuant to the Plan under the Securities Act. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

15.12 Governing Law. The Plan and all Award Agreements, and all controversies thereunder or related thereto, shall be construed in accordance with and governed by the laws of the State of California, without regard to principles of conflict of laws.

15.13 Section 409A. Except as provided in Section 15.14 hereof, to the extent that the Committee determines that any Award granted under the Plan is subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Section 409A of the Code and U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related U.S. Department of Treasury guidance (including such U.S. Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance and thereby avoid the application of any penalty taxes under such Section.

15.14 No Representations or Covenants with respect to Tax Qualification. Although the Company may endeavor to (1) qualify an Award for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States (*e.g.*, Incentive Stock Options) or (2) avoid adverse tax treatment (*e.g.*, under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, anything to the contrary in this Plan, including Section 15.13 hereof, notwithstanding. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan.

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

	Twelve-Month Periods Ended March 31, 2017
Net Sales	$23,862,934
GAAP gross profit	$ 1,520,945
Stock-based compensation expense	10,023
SunEdison bankruptcy	92,915
Restructuring and other	53,527
Non-GAAP gross profit	**$ 1,677,410**
Adjusted gross margin	***7.0%***
GAAP income before income taxes	$ 370,848
Stock-based compensation expense	82,266
Restructuring and other	67,099
Intangible amortization	81,396
Interest and other, net	99,532
Other charges, net	21,193
SunEdison bankruptcy	92,915
Non-GAAP operating income	**$ 815,249**
GAAP net income	$ 319,564
Stock-based compensation expense	82,266
Restructuring and other	67,099
Intangible amortization	81,396
SunEdison bankruptcy	92,915
Other charges, net	7,388
Adjustments for taxes	(10,826)
Non-GAAP net income	**$ 639,802**
Weighted-average shares used in computing per share amounts (Diluted):	546,220
GAAP Earnings per share (Diluted)	$ 0.59
Non-GAAP (adjusted earnings per share)	**$ 1.17**
Net cash provided by operating activities	$ 1,149,909
Purchases of property and equipment	(525,111)
Proceeds from the disposition of property and equipment	35,606
Free cash flow	**$ 660,404**

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

Form 10-K

(Mark One)

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

For the fiscal year ended March 31, 2017

Or

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

Commission file number 000-23354

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

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

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

Title of Each Class	Name of Each Exchange on Which Registered
Ordinary Shares, No Par Value	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

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

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

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

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

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

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

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

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

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

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

As of September 30, 2016, the aggregate market value of the Company's ordinary shares held by non-affiliates of the registrant was approximately $7.4 billion based upon the closing sale price as reported on the NASDAQ Stock Market LLC (NASDAQ Global Select Market).

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

Class	Outstanding at May 10, 2017
Ordinary Shares, No Par Value	529,913,600

DOCUMENTS INCORPORATED BY REFERENCE

Document	Parts into Which Incorporated
Proxy Statement to be delivered to shareholders in connection with the Registrant's 2017 Annual General Meeting of Shareholders	Part III

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PART I

FORWARD-LOOKING STATEMENTS

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

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

ITEM 1. *BUSINESS*

OVERVIEW

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

- Communications & Enterprise Compute (“ CEC “), which includes our telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; our networking business, which includes optical communications, routing, broadcasting, and switching products for the data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack level solutions, converged infrastructure and software-defined product solutions;
- Consumer Technologies Group (“CTG”), which includes our consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion, and mobile devices; and including various supply chain solutions for notebook personal computers (“PC”), tablets, and printers; in addition, CTG is expanding its business relationships to include supply chain optimization for non-electronics products such as footwear and clothing;
- Industrial and Emerging Industries (“IEI”), which is comprised of energy and metering, semiconductor tools and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks, and lighting; and
- High Reliability Solutions (“HRS”), which is comprised of our medical business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; our automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies; and our defense and aerospace businesses, focused on commercial aviation, defense and military.

We provide our advanced design, manufacturing and supply chain services through a network of over 100 facilities in approximately 30 countries across four continents. We have established this extensive network of design and manufacturing facilities in the world’s major consumer electronics and industrial products markets (Asia, the Americas, and Europe) in order to serve the outsourcing needs of both multinational and regional companies. Our services provide our customers with a competitive advantage by delivering improved product quality, increased flexibility, leading-edge manufacturability, improved performance, faster time-to-market, and competitive costs. Our customers leverage our services to meet their requirements throughout their products' entire life cycles. For the fiscal year ended March 31, 2017, we had revenue of $23.9 billion and net income of $319.6 million.

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

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

We recognized research and development costs primarily related to our design and innovations businesses of $65.6 million, $61.0 million, and $26.3 million for the fiscal years ended March 31, 2017, 2016 and 2015, respectively.

INDUSTRY OVERVIEW

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

EMS has experienced significant change and growth as an increasing number of companies elect to outsource some or all of their design, manufacturing, and after-market services requirements. In recent years, we have seen an increased level of diversification by many companies, primarily in the technology sector. Companies that have historically identified themselves as software providers, internet service providers, or e-commerce retailers are entering the highly competitive and rapidly evolving hardware markets, with products including mobile devices, home entertainment and wearable devices. This trend has resulted in significant changes to the hardware manufacturing and supply chain solutions requirements of such companies. Increasingly complex products require highly customized supply chain solutions, in turn resulting in significant changes to the overall manufacturing and supply chain landscape. The growth of the overall industry for calendar year 2016 is estimated to have been around 4%.

We believe the total available market for the EMS industry is poised for continued growth, with current penetration rates estimated to be about 30%. The intensely competitive nature of the electronics industry, the increasing complexity and sophistication of electronics products, and pressure on OEMs to reduce product costs and shorten product life cycles are all factors that encourage OEMs to utilize supply chain service providers as part of their business and manufacturing strategies. Utilizing global manufacturing and service providers allows OEMs to take advantage of the global design, manufacturing and supply chain management expertise of such providers, and enables OEMs to concentrate on product research, development, marketing, and sales. We believe that OEMs realize a number of important benefits through their strategic relationships with EMS providers, including:

- Improved efficiency and reduced production costs;
- Reduced design and development costs and lead time;
- Accelerated time-to-market and time-to-volume production;
- Reduced capital investment requirements and fixed costs;
- Improved inventory management and purchasing power;

- Access to worldwide design, engineering, manufacturing, and after-market service capabilities; and
- Ability to focus on core branding and R&D initiatives.

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

SERVICE OFFERINGS

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

- *Speed:* Our sophisticated supply chain management tools and expertise allow us to provide customers with access to real-time information that increases visibility throughout the entire product lifecycle, reducing risk while accelerating execution.
- *Scope:* Our end-to-end services, *from Sketch-to-Scale*™, include design and innovation services, engineering, logistics, and supply chain management. Our deep industry knowledge and multi-domain expertise accelerates the entire process of producing increasingly complex products for increasingly interconnected industries.
- *Scale:* Our physical infrastructure includes over 100 facilities in approximately 30 countries, staffed by approximately 200,000 employees, providing our customers with truly global scale and strategic geographic distribution capabilities.

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

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

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

In fiscal year 2017, we continued to expand our Innovation Centers worldwide and further enhanced our flagship Customer Innovation Center in Silicon Valley. Our innovation services include:

- *Innovations Labs.* Innovation Labs is a design and engineering organization that specializes in supporting customer design and product development services from early concept stages, with the ability to accommodate highly ambiguous requirements. Customers gain access to our design and engineering facilities, technical subject matter expertise, and rapid prototyping resources such as metal and plastic 3D printers and soft tooling capabilities.

- *Collective Innovation Platform.* The Collective Innovation Platform is an ecosystem of qualified technology solutions that helps customers reduce time-to-market and enhance product functionality by leveraging technology building blocks that have been qualified by Flex as part our technology Centers of Excellence. By joining the Flex Collective Innovation Program, technology providers can monetize their investments and gain access to our large, global customer base. Program members include technology suppliers, startups, software/application providers, research labs/institutes and universities.
- *Lab IX.* A startup accelerator program that invests in the next generation of disruptive technologies, giving startups a competitive advantage by providing them the necessary resources and connections to grow their business. By bringing together startups, OEMs and technology partners, we provide Lab IX portfolio companies with access to our global end-to-end supply chain solutions, our wealth of experience in hardware design, our manufacturing services and logistics across a wide range of markets, and additional benefits from our specialized partners.
- *Centers of Excellence.* Centers of Excellence provide strategic technology capabilities developed by Flex in critical solutions areas which are leveraged across multiple industries, for integration into our customers' products. Centers of Excellence include Human Machine Interface, Wireless and Connectivity, Semiconductors, Sensors and Actuators, Power and Battery Management, Smart Software, Flexible Technology, Computing, and Mechanicals and Plastics.
- *Interconnect Technology Center.* The Interconnect Technology Center provides expertise in both rigid and flexible circuits for next generation printed circuits technology, testing methods, and designs. The Center's state-of-the-art labs are specifically designed for printed circuit innovation, with a focus on embedded components, integration and transfer, wearable and stretchable design, thermal management, system integration and simulation.
- *CloudLabs.* The CloudLabs initiative provides cloud infrastructure companies with engineering and design services to optimize rack-level solutions, especially in the case of multi-vendor equipment integration. CloudLabs enables customers to accelerate a spectrum of cloud, converged infrastructure, and datacenter strategies.

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

- Contract Design Services, where customers purchase engineering and development services on a time and materials basis; or
- Joint Development Manufacturing Services, where our engineering and development teams work jointly with our customers' teams to ensure product development integrity, seamless manufacturing handoffs, and faster time to market.

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

- *System Architecture, User Interface and Industrial Design.* We help our customers design and develop innovative and cost-effective products that address the needs of the user and the market. These services include product definition, analysis and optimization of performance and functional requirements, 2-D sketch level drawings, 3-D mock-ups and proofs of concept, interaction and interface models, detailed hard models, and product packaging.
- *Mechanical Engineering, Technology, Enclosure Systems, Thermal and Tooling Design.* We offer detailed mechanical, structural, and thermal design solutions for enclosures that encompass a wide range of plastic, metal and other material technologies. These capabilities and technologies are increasingly important to our customers' product differentiation goals and are increasingly required to be successful in today's competitive marketplace. Additionally, we provide design and development services for prototype and production tooling equipment used in manufacturing.
- *Electronic System Design.* We provide complete electrical and hardware design for products ranging in size from small handheld consumer devices to large, high-speed, carrier-grade, telecommunications equipment, including embedded microprocessors, memory, digital signal processing design, high-speed

digital interfaces, analog circuit design, power management solutions, wired and wireless communication protocols, display imaging, audio/video, and radio frequency systems and antenna design.

- *Reliability and Failure Analysis.* We provide comprehensive design for manufacturing, test, and reliability services leveraging robust, internally-developed tools and databases. These services leverage our core manufacturing competencies to help our customers achieve their time-to-revenue goals.
- *Component Level Development Engineering.* We have developed substantial engineering competencies for product development and lifecycle management of various component technologies, such as power solutions, and printed circuit board and interconnection technologies, both rigid and flexible.

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

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

- *Enclosures.* We offer a comprehensive set of custom electronics enclosures and related products and services. Our services include the design, manufacture and integration of electronics packaging systems, including custom enclosure systems, power and thermal subsystems, interconnect subsystems, cabling, and cases. In addition to standard sheet metal and plastic fabrication services, we assist in the design of electronics packaging systems that protect sensitive electronics and enhance functionality. Our enclosure design services focus on functionality, manufacturability and testing. These services are integrated with our other assembly and manufacturing services to provide our customers with improved overall supply chain management.
- *Testing Services.* We offer computer-aided testing services for assembled printed circuit boards, systems and subsystems. These services significantly improve our ability to deliver high-quality products on a consistent basis. Our test services include management defect analysis, in-circuit testing and functional testing as well as environmental stress tests of board and system assemblies. We also offer design for test, manufacturing, and environmental services to jointly improve customer product design and manufacturing.
- *Materials Procurement and Inventory Management.* Our manufacturing and assembly operations capitalize on our materials inventory management expertise and volume procurement capabilities. As a result, we believe that we are able to achieve highly competitive cost reductions and reduce total manufacturing cycle time for our OEM customers. Materials procurement and management consist of the planning, purchasing, expediting, and warehousing of components and materials used in the manufacturing process. In addition, our strategy includes having third-party suppliers of custom components located in our industrial parks to reduce material and transportation costs, simplify logistics and facilitate inventory management. We also use a sophisticated automated manufacturing resource planning system and enhanced electronic data interchange capabilities to ensure inventory control and optimization. Through our manufacturing resources planning system, we have real-time visibility of material availability and are able to track work in process. We utilize electronic data interchange with our customers and suppliers to implement a variety of supply chain management programs. Electronic data

interchange allows customers to share demand and product forecasts, deliver purchase orders and assists suppliers with satisfying just-in-time delivery and supplier-managed inventory requirements. This also enables us to implement vendor-managed inventory solutions to increase flexibility and reduce overall capital allocation in the supply chain. We procure a wide assortment of materials, including electronic components, plastics and metals. There are a number of sources for these materials, including customers for whom we are providing systems assembly and manufacturing services. On some occasions, there have been shortages in certain electronic components, most recently with regard to connectors, capacitors, LCD panels and memory (both DRAM and Flash). However, such shortages have not had a material impact on our operating results for any periods presented. See "Risk Factors—We may be adversely affected by shortages of required electronic components."

Component businesses. We offer the following components product solutions:

- *Rigid and Flexible Printed Circuit Board ("PCB") Fabrication.* Printed circuit boards are composed of laminated materials that provide the interconnection for integrated circuits, passive and other electronic components and thus are at the heart of almost every electrical system. They are formed out of multi-layered epoxy resin and glass cloth systems with very fine traces, spaces, and plated holes (called vias) which interconnect the different layers into an extremely dense circuit network that carries the electrical signals between components. As semiconductor designs become more complex and signal speeds increase, there is an increasing demand for higher density integration on printed circuit boards, requiring higher layer counts, finer lines and spacings, smaller vias (microvias) and base materials with very low electrical loss characteristics. The manufacturing of these complex multilayer interconnect products often requires the use of sophisticated circuit interconnections between layers, and adherence to strict electrical characteristics to maintain consistent transmission speeds and impedances. The global demand for wireless devices and the complexity of wireless products are driving the demand for more flexible printed circuits. Flexible circuit boards facilitate a reduction in the weight of a finished electronic product and allow the designer to use the third dimension in designing new products or product features. Flexible circuits have become a very attractive design alternative for many new and emerging application spaces such as automotive rear light-emitting diode ("LED") lighting, tablet computers, and miniaturized radio frequency identification tags or smart cards. We are an industry leader in high-density interconnect with Every Layer Inter Connect ("ELIC") technology, which is widely used in smart phone designs, and multilayer constructions which are used in advanced routers and switches, telecom equipment, servers, storage, and flexible printed circuit boards and flexible printed circuit board assemblies. Our PCB business (Multek) manufactures printed circuit boards on a low-volume, quick-turn basis, as well as on a high-volume production basis. We provide quick-turn prototype services that allow us to provide small test quantities to meet the needs of customers' product development groups in as quickly as 48 hours. Our extensive range of services enables us to respond to our customers' demands for an accelerated transition from prototype to volume production. Multek offers a one-stop solution from design to manufacturing of PCB, flexible circuits and rigid flex circuits and sub-assemblies. We have printed circuit board and flexible circuit fabrication service capabilities in North America and Asia. Our PCB capabilities are centered in Asia and North America.

- *Power Supplies.* We have a full service power supply business ("Flex Power") that is a key player in the mobile revolution, with expertise in high efficiency and high density switching power supplies ranging from 1 to 3,000 watts. Our product portfolio includes chargers for smartphones and tablets, adapters for notebooks and gaming, and power supplies for server, storage, and networking markets. We pride ourselves on our ability to service the needs of industry leaders in these markets through valuable technology, design expertise, collaborative development, and efficient execution. Our products are fully compliant with the environmental and Energy Star requirements that drive efficiency specifications in our industry. Customers who engage with Flex Power gain access to compelling innovations and intellectual property in digital control and smart power.

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

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

STRATEGY

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

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

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

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

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

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

COMPETITIVE STRENGTHS

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

Significant Scale and Global Integrated System. We believe that scale is a significant competitive advantage, as our customers' solutions increasingly require cost structures and capabilities that can only be achieved through size and global reach. We are a leader in global procurement, purchasing approximately $22.8 billion of materials during our fiscal year ended March 31, 2017. As a result, we are able to use our worldwide supplier relationships to achieve advantageous pricing and supply chain flexibility for our customers.

We have established an extensive, integrated network of design, manufacturing and logistics facilities in the world's major consumer electronics and industrial markets to serve the outsourcing needs of both multinational and regional companies. Our extensive global network of over 100 facilities in approximately 30 countries with approximately 200,000 employees, helps increase our customers' competitiveness by simplifying their global product development processes while delivering improved product quality with improved performance and accelerated time to market.

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

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

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

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

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

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

We have selected manufacturing operations situated in low-cost regions of the world to provide our customers with a wide array of manufacturing solutions and low manufacturing costs. As of March 31, 2017, approximately 80% of our manufacturing capacity was located in low-cost locations, such as Brazil, China, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Romania, and the Ukraine. We believe we are a global industry leader in low-cost production capabilities.

CUSTOMERS

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

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

In fiscal year 2017, our ten largest customers accounted for approximately 43% of net sales. No customers accounted for greater than 10% of the Company's net sales in fiscal year 2017.

BACKLOG

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

COMPETITION

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

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

SOCIAL RESPONSIBILITY

Our Corporate Social and Environmental Responsibility ("CSER") management system has several elements, including environmental, health and safety compliance, labor and human rights, ethics, governance, and community engagement. Flex's CSER framework is based upon the principles, policies, and standards prescribed by the Electronics Industry Citizenship Coalition ("EICC"), a worldwide association of electronics companies committed to promoting an industry code of conduct for global electronics supply chains to improve working and environmental, health and safety conditions as well as other relevant international standards (e.g., ISO 14001). Flex is a founding member of the EICC. Social responsibility is also an area of increasing regulation, with specific regulations such as the California Transparency in Supply Chains Act, the U.S. Federal Acquisition Regulation on Human Trafficking and the U.K. Modern Slavery Act of 2015, all creating new compliance and disclosure obligations for the Company and for our customers. We operate a number of programs, including compliance audits, data collection, training and leadership programs that focus upon driving continuous improvements in social, ethical, and environmental performance throughout all of our global operating units, all in accordance with our Code of Business Conduct and Ethics. Being a good corporate citizen does not mean we should merely conform to standards. We go beyond required responsibilities by offering a wide range of programs and initiatives to engage both our internal and external communities. At the heart of this endeavor lies our pragmatic goal of positively influencing the lives of people in the communities in which we operate. We intend to continue investing in these global communities through grant-making, financial contributions, volunteer work, direct engagement and donation of resources.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), Section 1502, introduced reporting requirements related to the verification of whether we are directly (or indirectly through suppliers of materials) purchasing the following minerals: columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives, which are limited to tantalum, tin and tungsten; or any other mineral or its derivatives as determined by the Secretary of State associated with financing conflicts in the Democratic Republic of the Congo or an adjoining country. We are working directly with suppliers, industry groups, and customers to comply with the reporting requirements necessary to comply with this law. See "Risk Factors—Compliance with government regulations regarding the use of 'conflict minerals' may result in increased costs and risks to us." We have filed the required reports on Form SD with the Securities and Exchange Commission (SEC) in accordance with the Dodd-Frank Act.

ENVIRONMENTAL REGULATION

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

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

EMPLOYEES

As of March 31, 2017, our global workforce totaled approximately 200,000 employees. In certain international locations, our employees are represented by labor unions and by work councils. We have never experienced a significant work stoppage or strike, and we believe that our employee relations are good.

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

INTELLECTUAL PROPERTY

We own or license various United States and foreign patents relating to a variety of technologies. For certain of our proprietary processes, we rely on trade secret protection. We also have registered our corporate name and several other trademarks and service marks that we use in our business in the United States and other countries throughout the world. As of March 31, 2017 and 2016, the carrying value of our intellectual property was not material.

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

FINANCIAL INFORMATION ABOUT SEGMENTS AND GEOGRAPHIC AREAS

Refer to note 19 to our consolidated financial statements included under Item 8 for financial information about our business segments and geographic areas.

ADDITIONAL INFORMATION

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

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

ITEM 1A. *RISK FACTORS*

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

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

- CEC, which includes our telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; our networking business, which includes optical, routing, broadcasting, and switching products for the data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack level solutions, converged infrastructure and software-defined product solutions;
- CTG, which includes our consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion, and mobile devices; and including various supply chain solutions for notebook personal computers ("PC"), tablets, and printers; in addition, CTG is expanding its business relationships to include supply chain optimization for non-electronics products such as footwear and clothing;
- IEI, which is comprised of energy and metering, semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks, and lighting; and
- HRS, which is comprised of our medical business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; our automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies; and our defense and aerospace businesses, focused on commercial aviation, defense and military.

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

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

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

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

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

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

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

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

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

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

Sales to our ten largest customers represent a significant percentage of our net sales. Our ten largest customers accounted for approximately 43%, 46% and 50% of net sales in fiscal years 2017, 2016 and 2015, respectively. No customer accounted for more than 10% of net sales in fiscal year 2017 and only Lenovo/Motorola, which is reflected in our CTG segment, accounted for more than 10% of net sales in fiscal year 2016 and 2015. Our principal customers have varied from year to year. These customers may experience dramatic declines in their market shares or competitive position, due to economic or other forces, that may cause them to reduce their purchases from us or, in some cases, result in the termination of their relationship with us. Significant reductions in sales to any of these customers, or the loss of major customers, would materially harm our business. If we are not able to timely replace expired, canceled or reduced contracts with new business, our revenues and profitability could be harmed. Additionally, mergers, acquisitions, consolidations or other significant transactions involving our key customers generally entail risks to our business. If a significant transaction involving any of our key customers results in the loss of or reduction in purchases by the largest customers, it could have a materially adverse effect on our business, results of operations, financial condition and prospects.

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

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

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

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

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

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

We provide manufacturing services to companies and industries that have in the past, and may in the future, experience financial difficulty. If some of our customers experience financial difficulty, we could have difficulty recovering amounts owed to us from these customers, or demand for our products from these customers could decline. Additionally, if our suppliers experience financial difficulty we could have difficulty sourcing supplies necessary to fulfill production requirements and meet scheduled shipments. If one or more of our customers were to become insolvent or otherwise were unable to pay for the services provided by us on a timely basis, or at all, our operating results and financial condition could be adversely affected. Such adverse effects could include one or more of the following: an increase in our provision for doubtful accounts, a charge for inventory write-offs, a reduction in revenue, and an increase in our working capital requirements due to higher inventory levels and increases in days our accounts receivable are outstanding. On April 21, 2016, SunEdison, Inc. and certain of its subsidiaries ("SunEdison") filed for protection under Chapter 11 of the U.S. Bankruptcy Code. For the fiscal year ended March 31, 2016, we recognized a bad debt reserve charge of $61.0 million associated with our outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90 million. During the second quarter of fiscal year 2017, prices for solar panel modules declined significantly. We determined that certain solar panel inventory previously designated for SunEdison on hand at the end of the second quarter of fiscal year 2017 was not fully recoverable and recorded a charge of $60.0 million to reduce the carrying costs to market during fiscal year 2017. In addition we recognized a $16.0 million impairment charge for solar module equipment and incurred $16.9 million of incremental costs primarily related to negative margin sales and other associated solar panel direct costs. The estimates underlying our recorded provisions, as well as consideration of other potential customer bankruptcy-related contingencies associated with the SunEdison bankruptcy proceedings, are based on the facts currently known to us. No preference claims have been asserted against the Company and consideration has been given to the related contingencies based on the facts currently known to us. We are unable to reasonably estimate a loss or any range of possible loss. Further, we believe that we continue to have a number of affirmative and direct defenses to any potential claims for recovery and intend to vigorously defend any such claim, if asserted. An unfavorable resolution of this matter could be material to our results of operations, financial condition, or cash flows.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If our IT or physical security systems are breached, we may incur significant legal and financial exposure.

We regularly face attempts by others to gain unauthorized access through the Internet or to introduce malicious software to our information systems. We are also a target of malicious attackers who attempt to gain access to our network or data centers or those of our customers or end users; steal proprietary information related to our business, products, employees, and customers; or interrupt our systems and services or those of our customers or others. We believe such attempts are increasing in number and in technical sophistication. In some instances, we, our customers, and the users of our products and services might be unaware of an incident or its magnitude and effects. We have implemented security systems with the intent of maintaining the physical security of our facilities and inventory and protecting our customers' and our suppliers' confidential information. In addition, while we seek to detect and investigate all unauthorized attempts and attacks against our network, products, and services, and to prevent their recurrence where practicable through changes to our internal processes and tools, we are subject to, and at times have suffered from, breach of these security systems which have in the past and may in the future result in unauthorized access to our facilities and/or unauthorized use or theft of the inventory or information we are trying to protect. If unauthorized parties gain physical access to our inventory or if they gain electronic access to our information systems or if such information or inventory is used in an unauthorized manner, misdirected, lost or stolen during transmission or transport, any theft or misuse of such information or inventory could result in, among other things, unfavorable publicity, governmental inquiry and oversight, difficulty in marketing our services, allegations by our customers that we have not performed our contractual obligations, litigation by affected parties including our customers and possible financial obligations for damages related to the theft or misuse of such information or inventory, any of which could have a material adverse effect on our profitability and cash flow.

Our strategic relationships with major customers create risks.

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

- we may need to pay a purchase price to the divesting customers that exceeds the value we ultimately may realize from the future business of the customer;

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

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

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

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

We are subject to the risk of increased income taxes.

We are subject to taxes in numerous jurisdictions. Our future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory rates and changes in tax laws or their interpretation including changes related to tax holidays or tax incentives. The international tax environment continues to change as a result of both coordinated efforts by governments and unilateral measures designed by individual countries, both intended to tackle concerns over perceived international tax avoidance techniques, which could ultimately have an adverse effect on the taxation of international businesses. For example, legislative changes may result from the Organization for Economic Co-operation and Development's Base Erosion and Profit Shifting Project or any U.S. tax reform, which has been stated to be a priority for the new U.S. presidential administration and U.S. Congress. Any such changes, if adopted, could adversely impact our effective tax rate. Our taxes could also increase if certain tax holidays or incentives are not renewed upon expiration, or if tax rates applicable to us in such jurisdictions are otherwise increased. Our continued ability to qualify for specific tax holiday extensions will depend on, among other things, our anticipated investment and expansion in these countries and the manner in which the local governments interpret the requirements for modifications, extensions or new incentives.

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

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

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

In recent years, including during fiscal year 2017, we undertook initiatives to restructure our business operations through a series of restructuring activities, which were intended to accelerate our ability to support more *Sketch-to-Scale*tm efforts across the Company and reposition away from historical legacy programs and structures through rationalizing our current footprint at existing sites and at corporate SG&A functions. These activities were primarily for employee termination costs.

While we incur severance, asset impairment charges and other charges as a result of changes in our customer mix on an ongoing basis, such individual actions were not considered material and did not qualify as restructuring charges per accounting principles generally accepted in the United States to be separately disclosed as restructuring charges in fiscal years 2016 and 2015, and are included in either cost of sales or selling, general and administrative expenses, as appropriate. Our restructuring activities undertaken during fiscal year 2017 have been disclosed separately on our statement of operations. We may be required to take additional charges in the future to align our operations and cost structures with global economic conditions, market demands, cost competitiveness, and our geographic footprint as it relates to our customers' production requirements. We may consolidate certain manufacturing facilities or transfer certain of our operations to lower cost geographies. If we are required to take additional restructuring charges in the future, our operating results, financial condition, and cash flows could be adversely impacted. Additionally, there are other potential risks associated with our restructurings that could adversely affect us, such as delays encountered with the finalization and implementation of the restructuring activities, work stoppages, and the failure to achieve targeted cost savings.

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

We prepare our financial statements in conformity with U.S. GAAP. These principles are subject to interpretation by the Financial Accounting Standards Board (FASB), the American Institute of Certified Public Accountants (AICPA), the SEC and various bodies formed to interpret and create accounting policies. For example, significant changes to revenue recognition rules have been enacted and will begin to apply to us in fiscal year 2019 as the FASB has proposed. Changes to accounting rules or challenges to our interpretation or application of the rules by regulators may have a material adverse effect on our reported financial results or on the way we conduct business.

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

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

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

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

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

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

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

The success of certain of our activities depends on our ability to protect our intellectual property rights; intellectual property infringement claims against our customers or us could harm our business.

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

Our engineering, design and manufacturing services and components offerings involve the creation and use of intellectual property rights, which subject us to the risk of claims of intellectual property infringement from third parties, as well as claims arising from the allocation of intellectual property rights among us and our customers. In addition, our customers are increasingly requiring us to indemnify them against the risk of intellectual property infringement. If any claims are brought against us or our customers for such infringement, whether or not these have merit, we could be required to expend significant resources in defense of such claims. In the event of such an infringement claim, we may be required to spend a significant amount of money to develop non-infringing alternatives or obtain licenses or to resolve the issue through litigation. We may not be successful in developing such alternatives or obtaining such licenses on reasonable terms or at all, and any such litigation might not be resolved in our favor. Additionally, litigation could be lengthy and costly, and could materially harm our financial condition regardless of outcome.

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

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

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

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

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

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

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

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

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

Our operating results may fluctuate significantly due to seasonal demand.

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

We depend on our executive officers and skilled management personnel.

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

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

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

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

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

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

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

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

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

Our debt level may create limitations.

As of March 31, 2017, our total debt was approximately $3.0 billion. This level of indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, and may limit our ability to access additional capital or execute our business strategy.

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

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

In addition, we are exposed to interest rate risk under our variable rate terms loans, bilateral facilities and revolving credit facility for indebtedness we have incurred or may incur under such borrowings. The interest rates under these borrowings are based on either (i) a margin over LIBOR or (ii) the base rate (the greatest of the agent's prime rate, the federal funds rate plus 0.50% and LIBOR for a one-month interest period plus 1.00%) plus an applicable margin, in each case depending on our credit rating. Refer to the discussion in note 7, "Bank Borrowings and Long-Term Debt" to the consolidated financial statements for further details of our debt obligations. We are also exposed to interest rate risk on our invested cash balances, our securitization facilities and our factoring activities.

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

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

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

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

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

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

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

We are subject to risks associated with investments.

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

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

As part of the Dodd-Frank Act, the SEC has promulgated disclosure requirements regarding the use of certain minerals ("Minerals"), which may have originated in the Democratic Republic of the Congo or adjoining countries. In May 2016, we filed our report on Form SD for the year ended December 31, 2015 to report that, based on our diligence review, we were unable to determine whether Minerals contained in our products originated in the Democratic Republic of the Congo or adjoining countries or whether the mining or trade of such Minerals directly or indirectly financed or otherwise benefited armed groups in those countries. We expect to undertake further reviews of our supply chain in 2017 and beyond as necessary to comply with the SEC's disclosure requirements. Additionally, customers rely on us to provide critical data regarding the products they purchase and request information on such Minerals. Our materials sourcing is broad-based and multi-tiered, and we may not be able to easily verify the origins of the Minerals used in the products we sell. We have many suppliers and each may provide the required information in a different manner, if at all. Accordingly, because the supply chain is complex, our reputation may suffer if we are unable to sufficiently verify the origins of the Minerals, if any, used in our products. Additionally, customers may demand that the products they purchase be free of any Minerals originating in the specified countries. The implementation of this requirement could affect the sourcing and availability of products we purchase from our suppliers. This may reduce the number of suppliers that may be able to provide products and may affect our ability to obtain products in sufficient quantities to meet customer demand or at competitive prices.

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

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

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

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

Refer to notes 1 and 2 to the consolidated financial statements and 'critical accounting policies' in management's discussion and analysis of financial condition and results of operations for further discussion of the impairment testing of goodwill and identifiable intangible assets.

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

The market price of our ordinary shares is volatile.

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

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. *PROPERTIES*

Our facilities consist of a global network of industrial parks, regional manufacturing operations, and design, engineering and product introduction centers, providing approximately 27 million square feet of productive capacity as of March 31, 2017.

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

	Americas	Asia	Europe	Total
	(in million square feet) Manufacturing Square Footage Space			
Manufacturing - Leased	3.6	6.4	1.3	11.3
Manufacturing - Owned	4.9	7.7	2.9	15.5
Total	8.5	14.1	4.2	26.8
	Total Square Footage Space			
Manufacturing	8.5	14.1	4.2	26.8
Non-manufacturing	9.3	9.0	4.9	23.2
Total	17.8	23.1	9.1	50.0

Our facilities include large industrial parks, ranging in size from 0.6 million to 4.9 million square feet in Brazil, China, Malaysia, Mexico and Poland. We also have regional manufacturing operations, generally ranging in size from under 100,000 to approximately 1.6 million square feet in Austria, Brazil, Canada, China, Czech Republic, Denmark, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Malaysia, Mexico, The Netherlands, Poland, Romania, Singapore, Spain, Switzerland, the Ukraine and the United States. We also have smaller design and engineering centers, innovation centers and product introduction centers at a number of locations in the world's major industrial and electronics markets.

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

ITEM 3. *LEGAL PROCEEDINGS*

For a description of our material legal proceedings, see note 12 "Commitments and Contingencies" to the consolidated financial statements included under Item 8, which is incorporated herein by reference.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable

PART II

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

PRICE RANGE OF ORDINARY SHARES

Our ordinary shares are quoted on the NASDAQ Global Select Market under the symbol "FLEX." The following table sets forth the high and low per share sales prices for our ordinary shares since the beginning of fiscal year 2016 as reported on the NASDAQ Global Select Market.

	High	Low
Fiscal Year Ended March 31, 2017		
Fourth Quarter	$16.88	$14.33
Third Quarter	14.84	13.54
Second Quarter	13.69	11.66
First Quarter	13.19	11.69
Fiscal Year Ended March 31, 2016		
Fourth Quarter	$12.06	$ 9.10
Third Quarter	11.79	10.27
Second Quarter	11.56	9.90
First Quarter	12.84	11.53

As of May 10, 2017 there were 3,197 holders of record of our ordinary shares and the closing sales price of our ordinary shares as reported on the NASDAQ Global Select Market was $15.43 per share.

DIVIDENDS

Since inception, we have not declared or paid any cash dividends on our ordinary shares. We currently do not have plans to pay any dividends in fiscal year 2018.

STOCK PRICE PERFORMANCE GRAPH

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

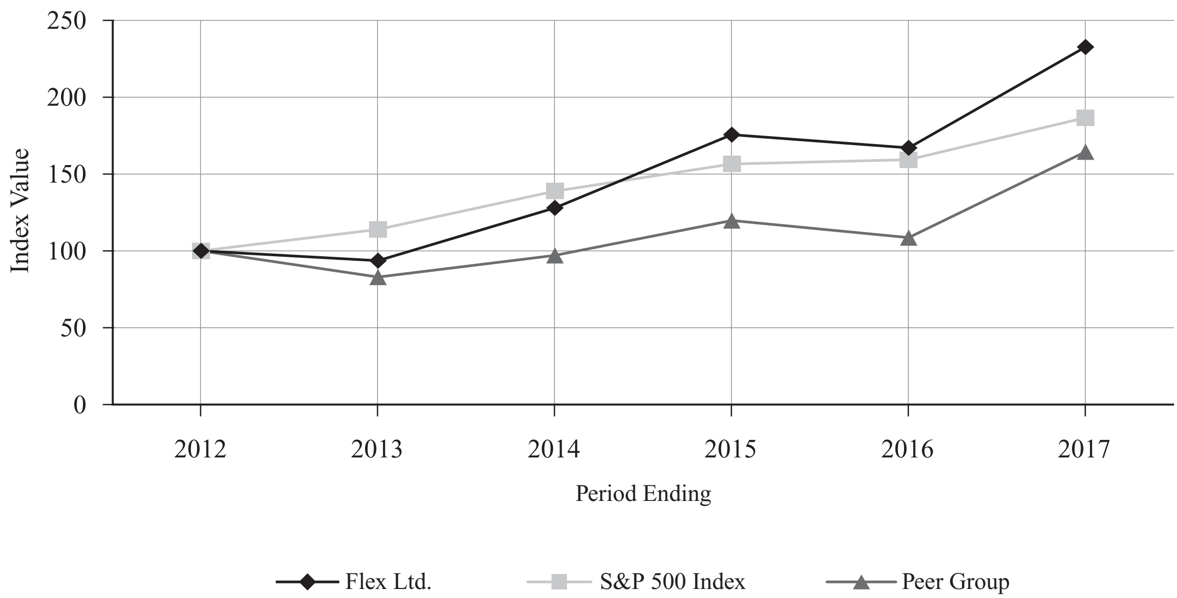
The graph below compares the cumulative total shareholder return on our ordinary shares, the Standard & Poor's 500 Stock Index and a peer group comprised of Benchmark Electronics, Inc., Celestica, Inc., Jabil Circuit, Inc., and Sanmina-SCI Corporation.

The graph below assumes that $100 was invested in our ordinary shares, in the Standard & Poor's 500 Stock Index and in the peer group described above on March 31, 2012 and reflects the annual return through March 31, 2017, assuming dividend reinvestment.

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

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

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



	3/12	3/13	3/14	3/15	3/16	3/17
Flex Ltd.	100.00	93.63	127.98	175.62	167.04	232.69
S&P 500 Index	100.00	113.96	138.87	156.55	159.34	186.71
Peer Group	100.00	82.98	97.08	119.77	108.64	164.51

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of our ordinary shares made by us for the period from January 1, 2017 through March 31, 2017.

Period(2)	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 - February 3, 2017	2,166,612	$ 14.84	2,166,612	$ 343,043,322
February 4 - March 3, 2017	1,860,843	16.30	1,860,843	312,710,616
March 4 - March 31, 2017	1,647,223	16.63	1,647,223	285,322,239
Total	5,674,678		5,674,678	

(1) During the period from January 1, 2017 through March 31, 2017 all purchases were made pursuant to the program discussed below in open market transactions. All purchases were made in accordance with Rule 10b-18 under the Securities Exchange Act of 1934.

(2) On August 24, 2016, our Board of Directors authorized the repurchase of our outstanding ordinary shares for up to $500 million. This is in accordance with the share purchase mandate whereby our shareholders approved a repurchase limit of 20% of our issued ordinary shares outstanding at the Annual General Meeting held on the same date as the Board authorization. As of March 31, 2017, shares in the aggregate amount of $285.3 million were available to be repurchased under the current plan.

RECENT SALES OF UNREGISTERED SECURITIES

None.

INCOME TAXATION UNDER SINGAPORE LAW

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

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

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

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

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

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

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

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

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

ITEM 6. *SELECTED FINANCIAL DATA*

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

	Fiscal Year Ended March 31,				
	2017	2016	2015	2014	2013
	(In thousands, except per share amounts)				
CONSOLIDATED STATEMENT OF OPERATIONS DATA:					
Net sales	$23,862,934	$24,418,885	$26,147,916	$26,108,607	$23,569,475
Cost of sales	22,303,231	22,810,824	24,602,576	24,609,738	22,187,393
Restructuring charges(3)	38,758	—	—	58,648	215,834
Gross profit	1,520,945	1,608,061	1,545,340	1,440,221	1,166,248
Selling, general and administrative expenses	937,339	954,890	844,473	874,796	805,235
Intangible amortization	81,396	65,965	32,035	28,892	29,529
Restructuring charges(3)	10,637	—	—	16,663	11,600
Other charges (income), net(1)	21,193	47,738	(53,233)	57,512	(65,190)
Interest and other, net	99,532	84,793	51,410	61,904	56,259
Income before income taxes	370,848	454,675	670,655	400,454	328,815
Provision for income taxes	51,284	10,594	69,854	34,860	26,313
Income from continuing operations	319,564	444,081	600,801	365,594	302,502
Loss from discontinued operations, net of tax	—	—	—	—	(25,451)
Net income	$ 319,564	$ 444,081	$ 600,801	$ 365,594	$ 277,051
Diluted earnings (loss) per share:					
Continuing operations	$ 0.59	$ 0.79	$ 1.02	$ 0.59	$ 0.45
Discontinued operations	$ —	$ —	$ —	$ —	$ (0.04)
Total	$ 0.59	$ 0.79	$ 1.02	$ 0.59	$ 0.41

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	As of March 31,				
	2017	2016	2015	2014	2013
			(In thousands)		
CONSOLIDATED BALANCE SHEET DATA:					
Working capital(2)	$ 1,883,149	$ 1,742,921	$ 1,985,809	$ 1,744,967	$ 1,599,671
Total assets	12,593,363	12,384,981	11,652,891	12,485,035	10,579,107
Total long-term debt, excluding current portion	2,890,609	2,709,389	2,025,970	2,056,233	1,639,580
Shareholders' equity	2,678,276	2,605,530	2,396,250	2,201,679	2,246,758

(1) For fiscal years 2017, 2016 and 2015, refer to note 15 to the consolidated financial statements for further discussion.

Other charges, net in the fiscal year 2014 includes $55.0 million of other charges for the contractual obligation to reimburse a customer for certain performance provisions. Additionally, the Company exercised warrants to purchase common shares of a certain supplier and sold the underlying shares for total proceeds of $67.3 million resulting in a loss of $7.1 million.

Other income, net in the fiscal year 2013 includes the fair value change in warrants to purchase common shares of a certain supplier of $74.4 million and loss on sale of two investments.

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

(3) The Company initiated restructuring plans during fiscal years 2017, 2014 and 2013. For the restructuring plan initiated during fiscal year 2017, please refer to note 14 to the consolidated financial statements for further discussion.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

This report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. The words "expects," "anticipates," "believes," "intends," "plans" and similar expressions identify forward-looking statements. In addition, any statements which refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. We undertake no obligation to publicly disclose any revisions to these forward-looking statements to reflect events or circumstances occurring subsequent to filing this Form 10-K with the Securities and Exchange Commission. These forward-looking statements are subject to risks and uncertainties, including, without limitation, those discussed in this section and in Item 1A, "Risk Factors." In addition, new risks emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. Accordingly, our future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements.

OVERVIEW

We are a globally-recognized, provider of *Sketch-to-Scale*™ services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. We design, build, ship and service complete packaged consumer and industrial products, from athletic shoes to electronics, for companies of all sizes in various industries and end-markets, through our activities in the following segments: Communications & Enterprise Compute ("CEC"), which includes our telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; our networking business which includes optical, routing, broadcasting, and switching products for the data and video networks; our server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack level solutions, converged infrastructure and software-defined product solutions; Consumer Technologies Group ("CTG"), which includes our consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion, and mobile devices; and including various supply chain solutions for notebook personal computers ("PC"), tablets, and printers; in addition, CTG is expanding its business relationships to include supply chain optimization for non-electronics products such as footwear and clothing; Industrial and Emerging Industries ("IEI"), which is comprised of energy and metering, semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks, and lighting; and High Reliability Solutions ("HRS"), which is comprised of our medical business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; our automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies; and our defense and aerospace businesses, focused on commercial aviation, defense and military.

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

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

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

During the past few years, we have made significant efforts to evolve our long-term portfolio towards a higher mix of businesses which possess longer product life cycles and higher segment operating margins such as reflected in our IEI and HRS businesses. During the last two fiscal years, we launched several programs broadly across our portfolio of services and in some instances we deployed certain new technologies. Some of these programs have started to yield better results, as demonstrated by our segment operating margin improvement while our sales decreased compared to the prior year. We continue to invest in innovation and we have expanded our design and engineering relationships through our product innovation centers.

We believe that our business transformation has strategically positioned us to take advantage of the long-term, future growth prospects for outsourcing of advanced manufacturing capabilities, design and engineering services and after-market services, which remain strong.

We are one of the world's largest providers of global supply chain solutions, with revenues of $23.9 billion in fiscal year 2017. We have established an extensive network of manufacturing facilities in the world's major consumer electronics and industrial markets (Asia, the Americas, and Europe) in order to serve the growing outsourcing needs of both multinational and regional customers. We design, build, ship, and service consumer electronics and industrial products for our customers through a network of over 100 facilities in approximately 30 countries across four continents. As of March 31, 2017, our total manufacturing capacity was approximately 27 million square feet. In fiscal year 2017, our net sales in Asia, the Americas and Europe represented approximately 46%, 36% and 18%, respectively, of our total net sales, based on the location of the manufacturing site. The following tables set forth net sales and net property and equipment, by country, based on the location of our manufacturing sites and the relative percentages:

Net sales:	Fiscal Year Ended March 31, 2017		2016		2015	
	(In thousands)					
China	$ 7,213,614	30%	$ 8,471,036	35%	$ 9,550,837	37%
Mexico	4,075,616	17%	3,645,432	15%	3,512,767	13%
U.S.	2,560,300	11%	2,767,641	11%	2,876,359	11%
Malaysia	2,267,578	10%	2,241,645	9%	2,300,579	9%
Brazil	1,907,591	8%	1,839,395	8%	2,474,291	9%
Other	5,838,235	24%	5,453,736	22%	5,433,083	21%
	$23,862,934		$24,418,885		$26,147,916	

Property and equipment, net:	Fiscal Year Ended March 31, 2017		2016	
	(In thousands)			
China	$ 719,972	31%	$ 789,571	35%
Mexico	525,282	23%	429,989	19%
U.S.	290,463	13%	330,778	15%
Malaysia	173,410	7%	159,787	7%
Hungary	132,527	6%	107,492	5%
Other	475,372	21%	425,559	19%
	$2,317,026		$2,243,176	

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 industrial campuses in low-cost geographic areas provide us with a competitive advantage and strong differentiation in the market for designing, manufacturing and servicing consumer electronics and industrial products for leading multinational and regional customers. Specifically, we have launched multiple product innovation centers ("PIC") focused exclusively on offering our customers the ability to simplify their global product development, manufacturing process, and after sales services, and enable them to meaningfully accelerate their time to market and cost savings.

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

- changes in the macro-economic environment and related changes in consumer demand;
- the mix of the manufacturing services we are providing, the number and size of new manufacturing programs, the degree to which we utilize our manufacturing capacity, seasonal demand, shortages of components and other factors;
- the effects on our business when our customers are not successful in marketing their products, or when their products do not gain widespread commercial acceptance;
- our ability to achieve commercially viable production yields and to manufacture components in commercial quantities to the performance specifications demanded by our customers;
- the effects on our business due to our customers' products having short product life cycles;
- our customers' ability to cancel or delay orders or change production quantities;
- our customers' decisions to choose internal manufacturing instead of outsourcing for their product requirements;
- our exposure to financially troubled customers;
- integration of acquired businesses and facilities;
- increased labor costs due to adverse labor conditions in the markets we operate;

- changes in tax legislation; and
- changes in trade regulations and treaties.

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

Net sales for fiscal year 2017 declined from the prior year, decreasing by 2.3% or $0.6 billion to $23.9 billion. The decrease was primarily due to a $0.6 billion decrease in our CTG segment as well as a $0.5 billion decrease in our CEC segment, partially offset by a $0.3 billion increase in our IEI segment, and a $0.2 billion increase in our HRS segment. Our fiscal year 2017 gross profit totaled $1.5 billion, representing a decrease of $87.1 million, or 5.4%, from the prior year, which is primarily driven by a $92.9 million charge following the significant decline in prices for solar modules coupled with the restructuring charges of $49.4 million, of which $38.8 million impacted gross margin, incurred during fiscal year 2017 in a plan to accelerate our ability to support more *Sketch-to-Scale*tm efforts across the Company and reposition away from historical legacy programs and structures. Our net income totaled $319.6 million, representing a decrease of $124.5 million, or 28.0%, compared to fiscal year 2016. The decrease in net income during fiscal year 2017 is primarily due to the same factors explained above.

Cash provided by operations remained consistent at $1.1 billion for the fiscal years 2017 and 2016. Cash used in investing activities decreased by approximately $0.7 billion to a total amount of $0.7 billion for fiscal year 2017 compared with $1.4 billion for fiscal year 2016 primarily due to a decrease in the amount of cash paid for acquired businesses during fiscal year 2017. Our average net working capital, defined as accounts receivable, including deferred purchase price receivable from our asset-backed securitization programs plus inventory less accounts payable, as a percentage of annualized sales decreased by 0.8% to 6.9%. Our free cash flow, which we define as cash from operating activities less net purchases of property and equipment, was $660.4 million for fiscal year 2017 compared to $639.5 million for fiscal year 2016. The increase in free cash flow is primarily due to higher cash flows from operations. Refer to the Liquidity and Capital Resources section for the free cash flows reconciliation to our most directly comparable GAAP financial measure of cash flows from operations. Cash used in financing activities amounted to $242.1 million during fiscal year 2017, which changed $491.7 million from a cash inflow of $249.6 million in the prior year primarily due to lower net proceeds from bank borrowings and long-term debt.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements. For further discussion of our significant accounting policies, refer to note 2 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data."

Revenue Recognition

We recognize manufacturing revenue when we ship goods or the goods are received by our customer, title and risk of ownership have passed, the price to the buyer is fixed or determinable and recoverability is reasonably assured. Generally, there are no formal substantive customer acceptance requirements or further obligations related to manufacturing services. If such requirements or obligations exist, then we recognize the related revenues at the time when such requirements are completed and the obligations are fulfilled. Some of our customer contracts allow us to recover certain costs related to manufacturing services that are over and above the prices we charge for the related products. We determine the amount of costs that are recoverable based on historical experiences and agreements with those customers. Also, certain customer contracts may contain certain commitments and obligations that may result in additional expenses or decrease in revenue. We accrue for these commitments and obligations based on facts and circumstances and contractual terms. We also make provisions for estimated sales returns and other adjustments at the time revenue is recognized based upon contractual terms and an analysis of historical returns. Provisions for sales returns and other adjustments were not material to our consolidated financial statements for any of the periods presented.

We also recognize revenue in accordance with multiple-element arrangements accounting codified under U.S. GAAP for arrangements that contain multiple deliverables. We determined that our multiple-element arrangements are generally comprised of arrangements where multiple product components are sold together as part of a complete system. Depending on the contractual provisions of the respective contracts, we have concluded that the units of accounting for such arrangements are, in most cases, comprised of an aggregation of product components, however, may also be established at the product component level. For multiple-element arrangements, revenue is allocated to each unit of accounting based on their relative selling prices. Relative selling prices are based first on vendor specific objective evidence of fair value ("VSOE"), then on third-party evidence of selling price ("TPE") when VSOE does not exist, and then on management's best estimate of the selling price ("BESP") when VSOE and TPE do not exist. We base the allocation of revenue on BESP, because we do not have either VSOE or TPE for the respective deliverables.

We provide a comprehensive suite of services for our customers that range from advanced product design to manufacturing and logistics to after-sales services. We recognize service revenue when the services have been performed, and the related costs are expensed as incurred. Our net sales for services were less than 10% of our total sales for all periods presented, and accordingly, are included in net sales in the consolidated statements of operations.

Customer Credit Risk

We have an established customer credit policy through which we manage customer credit exposures through credit evaluations, credit limit setting, monitoring, and enforcement of credit limits for new and existing customers. We perform ongoing credit evaluations of our customers' financial condition and make provisions for doubtful accounts based on the outcome of those credit evaluations. We evaluate the collectability of accounts receivable based on specific customer circumstances, current economic trends, historical experience with collections and the age of past due receivables. To the extent we identify exposures as a result of credit or customer evaluations, we also review other customer related exposures, including but not limited to inventory and related contractual obligations.

On April 21, 2016, SunEdison, Inc. (together with certain of its subsidiaries, "SunEdison"), filed a petition for reorganization under bankruptcy law. During the fiscal year ended March 31, 2016, we recognized a bad debt reserve charge of $61.0 million associated with our outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90.0 million. During the second quarter of fiscal year 2017, prices for solar panel modules declined significantly. We determined that certain solar panel inventory previously designated for SunEdison on hand at the end of the second quarter of fiscal year 2017 was not fully recoverable and recorded a charge of $60.0 million to reduce the carrying costs to market during fiscal year 2017. In addition, we recognized a $16.0 million impairment charge for solar module equipment and incurred $16.9 million of incremental costs primarily related to negative margin sales and other associated solar panel direct costs. The total charge of $92.9 million is included in cost of sales for fiscal year 2017.

Restructuring Charges

We recognize restructuring charges related to our plans to close or consolidate excess manufacturing facilities and rationalize administrative functions and to realign our corporate cost structure. In connection with these activities, we recognize restructuring charges for employee termination costs, long-lived asset impairment and other exit-related costs.

The recognition of these restructuring charges requires that we make certain judgments and estimates regarding the nature, timing and amount of costs associated with the planned exit activity. To the extent our actual results differ from our estimates and assumptions, we may be required to revise the estimates of future liabilities, requiring the recognition of additional restructuring charges or the reduction of liabilities already recognized. Such changes to previously estimated amounts may be material to the consolidated financial statements. At the end of each reporting period, we evaluate the remaining accrued balances to ensure that no excess accruals are retained and the utilization of the provisions are for their intended purpose in accordance with developed exit plans.

Refer to note 14 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our restructuring activities.

Inventory Valuation

Our inventories are stated at the lower of cost (on a first-in, first-out basis) or market value. Our industry is characterized by rapid technological change, short-term customer commitments and rapid changes in demand. We purchase our inventory based on forecasted demand, and we estimate write downs for excess and obsolete inventory based on our regular reviews of inventory quantities on hand, and the latest forecasts of product demand and production requirements from our customers. If actual market conditions or our customers' product demands are less favorable than those projected, additional write downs may be required. In addition, unanticipated changes in the liquidity or financial position of our customers and/or changes in economic conditions may require additional write downs for inventories due to our customers' inability to fulfill their contractual obligations with regard to inventory procured to fulfill customer demand.

Carrying Value of Long-Lived Assets

We review property and equipment and acquired amortizable intangible assets for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized when the carrying amount of these long-lived assets exceeds their fair value. Recoverability of property and equipment and acquired amortizable intangible assets are measured by comparing their carrying amount to the projected cash flows the assets are expected to generate. If such assets are determined to be impaired, the impairment loss recognized, if any, is the amount by which the carrying amount of the property and equipment and acquired amortizable intangible assets exceeds fair value. Our judgments regarding projected cash flows for an extended period of time and the fair value of assets may be impacted by changes in market conditions, general business environment and other factors. To the extent our estimates relating to cash flows and fair value of assets change adversely we may have to recognize additional impairment charges in the future.

Goodwill is tested for impairment on an annual basis and whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit, which is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. The Company performed its goodwill impairment assessment on January 1, 2017 and determined that no impairment existed as of the date of the impairment test because the fair value of each reporting unit exceeded its carrying value.

Contingent Liabilities

We may be exposed to certain liabilities relating to our business operations, acquisitions of businesses and assets and other activities. We make provisions for such liabilities when it is probable that the settlement of the liability will result in an outflow of economic resources or the impairment of an asset. We make these assessments based on facts and circumstances that may change in the future resulting in additional expenses.

Income Taxes

Our deferred income tax assets represent temporary differences between the carrying amount and the tax basis of existing assets and liabilities, which will result in deductible amounts in future years, including net operating loss carry forwards. Based on estimates, the carrying value of our net deferred tax assets assumes that it is more likely than not that we will be able to generate sufficient future taxable income in certain tax jurisdictions to realize these deferred income tax assets. Our judgments regarding future profitability may change due to future market conditions, changes in U.S. or international tax laws and other factors. If these estimates and related assumptions change in the future, we may be required to increase or decrease our valuation allowance against deferred tax assets previously recognized, resulting in additional or lesser income tax expense.

We are regularly subject to tax return audits and examinations by various taxing jurisdictions and around the world, and there can be no assurance that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examination, there could be a material adverse effect on our tax position, operating results, financial position and cash flows. Refer to note 13 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our tax position.

Translation of Foreign Currencies

The financial position and results of operations for certain of our subsidiaries are measured using a currency other than the U.S. dollar as their functional currency. Accordingly, all assets and liabilities for these subsidiaries are translated into U.S. dollars at the current exchange rates as of the respective balance sheet dates. Revenue and expense items are translated at the average exchange rates prevailing during the period. Cumulative gains and losses from the translation of these subsidiaries' financial statements are reported as other comprehensive loss, a component of shareholders' equity. Foreign exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved, and re-measurement adjustments for foreign operations where the U.S. dollar is the functional currency, are included in operating results.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain statements of operations data expressed as a percentage of net sales. The financial information and the discussion below should be read in conjunction with the consolidated financial statements and notes thereto included in Item 8, "Financial Statements and Supplementary Data." The data below, and discussion that follows, represents our results from operations.

	Fiscal Year Ended March 31,		
	2017	2016	2015
Net sales	100.0%	100.0%	100.0%
Cost of sales	93.5	93.4	94.1
Restructuring charges	0.2	—	—
Gross profit	6.3	6.6	5.9
Selling, general and administrative expenses	3.9	3.9	3.2
Intangible amortization	0.3	0.3	0.1
Restructuring charges	—	—	—
Other charges (income), net	0.1	0.2	(0.2)
Interest and other, net	0.4	0.3	0.2
Income before income taxes	1.6	1.9	2.6
Provision for income taxes	0.2	—	0.3
Net Income	1.4%	1.9%	2.3%

Net sales

Net sales during fiscal year 2017 totaled $23.9 billion, representing a decrease of $0.6 billion, or 2.3%, from $24.4 billion during fiscal year 2016, largely attributable to the closure of our Lenovo/Motorola dedicated China operations. During fiscal year 2017, net sales decreased $0.8 billion in Asia, while increasing $0.2 billion in the Americas, and $35.6 million in Europe.

Net sales during fiscal year 2016 totaled $24.4 billion, representing a decrease of $1.7 billion, or 6.6%, from $26.1 billion during fiscal year 2015. During fiscal year 2016, net sales decreased $1.2 billion in Asia, $0.6 billion in the Americas, and $14.7 million in Europe.

The following table sets forth net sales by segments and their relative percentages. Historical information has been recast to reflect realignment of customers and/or products between segments:

Segments:	Fiscal Year Ended March 31, 2017		2016		2015	
	(In thousands)					
Communications & Enterprise Compute	$ 8,383,420	35%	$ 8,841,642	36%	$ 9,191,211	35%
Consumer Technologies Group	6,362,338	27%	6,997,526	29%	8,940,043	34%
Industrial & Emerging Industries	4,967,738	21%	4,680,718	19%	4,459,351	17%
High Reliability Solutions	4,149,438	17%	3,898,999	16%	3,557,311	14%
	$23,862,934		$24,418,885		$26,147,916	

Net sales during fiscal year 2017 decreased $0.6 billion or 9% in the CTG segment and $0.5 billion or 5% in the CEC segment. The decline in sales for CTG was primarily due to a decline in demand from our largest smartphone customer Lenovo/Motorola in connection with our exit of a China operation dedicated to them, partially offset by revenues from our Bose acquisition as well as ramping of a broad mix of customers. The decrease in CEC is largely attributable to lower sales within our legacy server and storage business. These decreases were partially offset by a $287.0 million or 6% increase in sales from our IEI segment driven by contribution from our NEXTracker Inc. ("NEXTracker") acquisition and expansion within our capital equipment business, and by a $250.4 million or 6% increase in sales from our HRS segment primarily driven by automotive business.

Net sales during fiscal year 2016 decreased $1.9 billion or 22% in the CTG segment and $349.6 million or 4% in the CEC segment. The drop in CTG was due to a decline in demand from our largest customer in our mobile business offset by expansion across wearables, connected home and gaming markets. The decrease in CEC is primarily attributable to lower sales within our server and storage business. These decreases were partially offset by a $341.7 million or 10% increase in sales from our HRS segment, and by a $221.4 million or 5% increase in sales from our IEI segment. These increases in HRS and IEI were attributable to an increase across multiple product categories and customers, most notably in our household, energy, automotive, and medical businesses primarily as a result of our strategic acquisitions in both segments referred to below.

Our ten largest customers during fiscal years 2017, 2016 and 2015 accounted for approximately 43%, 46% and 50% of net sales, respectively. We have made substantial efforts toward the diversification of our portfolio which allow us to operate at scale in so many different industries, as a result no customer accounted for greater than 10% of net sales in fiscal year 2017. During fiscal years 2016 and 2015, only Lenovo/Motorola (including net sales from its former parent, Google, up to the point in time when Motorola Mobility was acquired by Lenovo and including net sales from Lenovo thereafter), which is reflected in our CTG segment, accounted for greater than 10% of net sales. Going forward, we do not expect Motorola Mobility to account for greater than 10% of our net sales.

Gross profit

Gross profit is affected by a number of factors, including the number and size of new manufacturing programs, product mix, component costs and availability, product life cycles, unit volumes, pricing, competition, new product introductions, capacity utilization and the expansion and consolidation of manufacturing facilities. The flexible design of our manufacturing processes allows us to build a broad range of products in our facilities and better utilize our manufacturing capacity across our diverse geographic footprint. In the cases of new programs, profitability normally lags revenue growth due to product start-up costs, lower manufacturing program volumes in the start-up phase, operational inefficiencies, and under-absorbed overhead. Gross margin for these programs often improves over time as manufacturing volumes increase, as our utilization rates and overhead absorption improve, and as we increase the level of manufacturing services content. As a result of these various factors, our gross margin varies from period to period.

Gross profit during fiscal year 2017 decreased $87.1 million to $1.5 billion from $1.6 billion during fiscal year 2016 primarily as a result of the $92.9 million, or 40 basis points, of charges recognized related to the significant decline in prices for solar modules and the slowdown in demand as previously discussed under our customer credit risk section, coupled with the restructuring charges incurred during fiscal year 2017, to accelerate our ability to support more *Sketch-to-Scale*™ efforts across the Company. A portion of this decrease was offset by our strategic evolution and structural mix shift to higher margin end markets in our IEI and HRS segments while also providing greater levels of innovation, design and engineering services. Gross margin decreased 30 basis points, to 6.3% of net sales in fiscal year 2017, from 6.6% of net sales in fiscal year 2016, mainly attributable to the same factors previously described.

Gross profit during fiscal year 2016 increased $62.7 million to $1.6 billion from $1.5 billion during fiscal year 2015 reflecting a richer mix of business and improved operational execution while ramping new customers and programs during fiscal year 2016. Gross margin increased to 6.6% of net sales in fiscal year 2016 as compared with 5.9% of net sales in fiscal year 2015. Gross margins improved 70 basis points in fiscal year 2016 compared to that of fiscal year 2015 due to proportionate increased share of our total revenue attributable to our HRS and IEI segments coupled with their increased profitability primarily driven by our acquisitions of Mirror Controls International ("MCi") and NEXTracker.

Segment income

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, restructuring charges and other, distressed customer charges, other charges (income), net and interest and other, net. A portion of depreciation is allocated to the respective segment together with other general corporate research and development and administrative expenses.

The following table sets forth segment income and margins:

	Fiscal Year Ended March 31,					
	2017		2016		2015	
			(In thousands)			
Segment income & margin:						
CEC	$ 229,332	2.7%	$265,076	3.0%	$257,323	2.8%
CTG	179,910	2.8%	163,677	2.3%	218,251	2.4%
IEI	179,749	3.6%	157,588	3.4%	131,956	3.0%
HRS	334,108	8.1%	294,635	7.6%	227,595	6.4%
Corporate and Other	(107,850)		(89,219)		(83,988)	
Total segment income	815,249	3.4%	791,757	3.2%	751,137	2.9%
Reconciling items:						
Intangible amortization	81,396		65,965		32,035	
Stock-based compensation	82,266		77,580		50,270	
SunEdison bankruptcy related (Note 2)	92,915		61,006		—	
Restructuring and other(1)	67,099		—		—	
Other charges (income), net	21,193		47,738		(53,233)	
Interest and other, net	99,532		84,793		51,410	
Income before income taxes	$ 370,848		$454,675		$670,655	

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

(1) During the fiscal year ended March 31, 2017, we initiated a restructuring plan to accelerate its ability to support more *Sketch-to-Scale*™ efforts across the Company and reposition away from historical legacy programs and structures through rationalizing its current footprint at existing sites and at corporate SG&A functions. This charge is primarily for employee terminations costs, as described in note 14 to the consolidated financial statements, as well as other asset impairments, and is split between cost of sales and selling, general and administration expenses on our consolidated statement of operations. This charge is excluded from the measurement of our operating segment's performance.

CEC segment margin decreased 30 basis points to 2.7%, for fiscal year 2017, from 3.0% during fiscal year 2016. The decrease was driven by lower capacity utilization causing reduced overhead absorption, pricing pressures coupled with incremental costs for proactive repositioning of certain programs and actions to better align CEC's operating structure. CEC segment margin increased 20 basis points, for fiscal year 2016, from 2.8% during fiscal year 2015. The improvements were driven by a favorable product mix changes from new program offerings, higher utilization levels and strong operational execution across multiple customers and facilities, offset by incremental engineering spend as we continue to invest in expanding our capabilities in converged infrastructure.

CTG segment margin increased 50 basis points to 2.8% for fiscal year 2017, from 2.3% during fiscal year 2016, primarily driven by a portfolio shift within the CTG product mix with a greater concentration of higher margin products where we provide greater levels of design and engineering value-added content, as well as exiting of lower margin businesses and the benefit from a better-than-expected execution on certain products which were going end of life. CTG segment margin slightly decreased 10 basis points for fiscal year 2016, from 2.4% during fiscal year 2015, due primarily to the soft macro economy, notably in Brazil, which impacted consumer business, partially offset by a portfolio shift within the CTG product mix focusing on higher margin consumer electronics products.

IEI segment margin increased 20 basis points to 3.6% for fiscal year 2017, from 3.4% during fiscal year 2016. This is primarily driven by new program ramps and demand increase in capital equipment and household industrial and lifestyle, partially offset by underperformance from the loss of SunEdison, which was formerly our largest IEI customer and relatedly, from sales of solar panel inventory acquired from SunEdison in 2016. IEI segment margin increased 40 basis points to 3.4% for fiscal year 2016, from 3.0% during fiscal year 2015. This is primarily due to strong operational execution and higher utilization levels coupled with additional margin enhancement from our NEXTracker acquisition that contributed higher margins for the second half of fiscal year 2016.

HRS segment margin increased 50 basis points to 8.1% for fiscal year 2017, from 7.6% during fiscal year 2016. The improvements are primarily the result of new program launches and richer mix with greater value-added business engagements as a result of greater design and engineering solutions as part of our *Sketch-to-Scale*™ offering. HRS segment margin increased 120 basis points to 7.6% for fiscal year 2016, from 6.4% for fiscal year 2015 primarily due to additional flow through from the increase in revenue from new programs and contribution from our MCi acquisition starting in our second quarter of fiscal year 2016. Additional margin was related to greater value-added business engagements resulting from an increase in design and engineering solutions as part of our *Sketch-to-Scale*™ offering.

Restructuring charges

During fiscal year 2017, we initiated a restructuring plan to accelerate our ability to support more *Sketch-to-Scale*™ efforts across the Company and reposition away from historical legacy programs and structures through rationalizing our current footprint at existing sites including certain corporate SG&A functions. We recognized $49.4 million of pre-tax restructuring charges predominantly for employee termination costs. The restructuring charges by geographic region were $28.5 million in the Americas, $15.1 million in Asia and $5.8 million in Europe. We classified $38.8 million of these charges as a component of cost of sales and $10.6 million as a component of selling, general and administrative expenses. There were no material restructuring activities during fiscal years 2016 and 2015.

As of March 31, 2017 the plan had been completed and the accrued costs relating to the restructuring charges were $23.5 million of which $23.5 million was classified as a current obligation.

Refer to note 14 to the consolidated financial statements in Item 8, "Financial Statements and Supplementary Data" for further discussion of our restructuring activities.

Selling, general and administrative expenses

Selling, general and administrative expenses ("SG&A") totaled $937.3 million or 3.9% of net sales, during fiscal year 2017, compared to $954.9 million, or 3.9% of net sales, during fiscal year 2016, decreasing by $17.6 million or 2%. The decrease in SG&A in dollars is primarily the result of the nonrecurring $61.0 million bad debt reserve charge recognized in the prior year as explained below, offset by further investments in design and engineering resources by us to support our increased *Sketch-to-Scale*™ initiatives. We also incurred incremental costs associated with our targeted acquisitions and restructuring activities in fiscal year 2017.

SG&A totaled $954.9 million or 3.9% of net sales, during fiscal year 2016, compared to $844.5 million, or 3.2% of net sales, during fiscal year 2015, increasing by $110.4 million or 13%. The increase in SG&A in dollars and as a percentage of net sales is primarily the result of an increase in costs associated with research, development and design activities, as we continued to deploy resources to meet the needs of our customers and explore new product innovations, increases in stock-based compensation expense, incremental costs associated with our acquisitions of MCi and NEXTracker both of which drive a higher proportional SG&A level, and a bad debt reserve charge associated with our outstanding SunEdison receivables of $61.0 million as a result of SunEdison's bankruptcy filing.

Intangible amortization

Amortization of intangible assets in fiscal year 2017 increased by $15.4 million to $81.4 million from $66.0 million in fiscal year 2016, primarily as a result of incremental amortization expense on intangibles assets relating to our acquisitions completed during fiscal year 2017 as well as those completed in the second half of fiscal year 2016.

Amortization of intangible assets in fiscal year 2016 increased by $33.9 million to $66.0 million from $32.0 million in fiscal year 2015, primarily as a result of incremental amortization expense on intangibles assets relating to our acquisitions completed during the fiscal year 2016.

Other charges (income), net

The fiscal year ended March 31, 2017 includes a $7.4 million loss attributable to a non-strategic facility sold during the second quarter of fiscal year 2017. No other components of other charges and income, net incurred during fiscal year 2017 were material.

During fiscal year 2016, we recognized other charges of $47.7 million primarily due to a $26.8 million loss on the disposition of a non-strategic Western European manufacturing facility which included a non cash foreign currency translation loss of $25.3 million, and $21.8 million from the impairment of a non-core investment. These were offset by a non-cash foreign currency translation gain of $4.2 million.

During fiscal year 2015, we recognized other income of $53.2 million principally as a result of the reversal of a contractual obligation with a certain customer recognized during the fiscal year 2014 in the amount of $55.0 million. We executed an amendment to the customer contract during fiscal year 2015 which relieved us of the performance commitment as was defined in an existing customer manufacturing agreement. We also recognized an $11.0 million loss in connection with the disposition of a manufacturing facility in Western Europe. Further, we recognized a net gain for the sale of a certain investment, which primarily comprises the balance for other income in fiscal year 2015 net of the above items.

Interest and other, net

Interest and other, net was $99.5 million during fiscal year 2017 compared to $84.8 million during fiscal year 2016. The increase in interest and other, net of $14.7 million was primarily due to a $10.0 million increase of interest expense from the 4.750% Note due June 15, 2025 and the Term Loan due November 2021, as further discussed in note 7 to the consolidated financial statements, and a $7.9 million decrease in foreign exchange gains, offset by $8.0 million of acquisition-related costs incurred during fiscal year 2016 as described below.

Interest and other, net was $84.8 million during fiscal year 2016 compared to $51.4 million during fiscal year 2015. The increase in interest and other, net of $33.4 million was primarily due to a $23.5 million increase of interest expense from the 4.750% Notes issued during the fiscal year 2016 as further discussed in note 7 to the consolidated financial statements, as well as $8.0 million of acquisition-related costs incurred during fiscal year 2016, primarily for our acquisition of MCi.

Interest and other, net was $51.4 million during fiscal year 2015 compared to $61.9 million during fiscal year 2014. The decrease in interest and other, net was primarily due to a gain associated with minority interest from an investment, an increase in foreign currency gains relating to the Chinese RMB, and a decrease in interest expense as a result of refinancing of certain debt facilities during the latter part of fiscal year 2014.

Income taxes

The Company works to ensure it accrues and pays the appropriate amount of income taxes according to the laws and regulations of each jurisdiction in which it operates. Certain of our subsidiaries have, at various times, been granted tax relief in their respective countries, resulting in lower income taxes than would otherwise be the case under ordinary tax rates. The consolidated effective tax rates were 13.8%, 2.3% and 10.4% for the fiscal years 2017, 2016 and 2015, respectively. The effective rate varies from the Singapore statutory rate of 17.0% in each year as a result of the following items:

	Fiscal Year Ended March 31,		
	2017	2016	2015
Income taxes based on domestic statutory rates	17.0%	17.0%	17.0%
Effect of tax rate differential	(23.0)	(13.7)	(11.3)
Change in liability for uncertain tax positions	0.2	(3.0)	4.4
Change in valuation allowance	21.2	0.2	0.4
Other	(1.6)	1.8	(0.1)
Provision for income taxes	13.8%	2.3%	10.4%

The variation in our effective tax rate each year is primarily a result of recognition of earnings in foreign jurisdictions which are taxed at rates lower than the Singapore statutory rate including the effect of tax holidays and tax incentives we received primarily for our subsidiaries in China, Malaysia and Israel of $15.5 million, $6.6 million and $9.8 million in fiscal years 2017, 2016 and 2015, respectively. Additionally, our effective tax rate is impacted by changes in our liabilities for uncertain tax positions of $0.7 million, $(13.7) million, and $29.7 million and changes in our valuation allowances on deferred tax assets of $78.7 million, $1.0 million and $2.5 million in fiscal years 2017, 2016 and 2015, respectively. We generate most of our revenues and profits from operations outside of Singapore.

We are regularly subject to tax return audits and examinations by various taxing jurisdictions and around the world, and there can be no assurance that the final determination of any tax examinations will not be materially different than that which is reflected in our income tax provisions and accruals. Should additional taxes be assessed as a result of a current or future examinations, there could be a material adverse effect on our tax position, operating results, financial position and cash flows.

We provide a valuation allowance against deferred tax assets that in our estimation are not more likely than not to be realized. During fiscal year 2017, we released valuation allowances totaling $39.6 million primarily related to our operations in Austria, China, Ireland and Canada as these amounts were deemed to be more likely than not to be realized due to the sustained profitability during the past three fiscal years as well as continued forecasted profitability of those subsidiaries. However, these valuation allowance eliminations were offset by other current period valuation allowance movements primarily related to current period valuation allowance additions due to increased deferred tax assets related to current period losses in legal entities with existing full valuation allowance positions. In addition, due to increased negative evidence during the fiscal year ended March 31, 2017, the Company added a valuation allowance of $14.4 million for a Chinese subsidiary which did not previously have a valuation allowance recorded.

See note 13, "Income Taxes," to the consolidated financial statements included in Item 8, "Financial Statements and Supplementary Data" for further discussion.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2017, we had cash and cash equivalents of $1.8 billion and bank and other borrowings of $3.0 billion. We have a $1.5 billion revolving credit facility, under which we had no borrowings outstanding as of March 31, 2017.

Our cash balances are held in numerous locations throughout the world. As of March 31, 2017, over half of our cash and cash equivalents were held by foreign subsidiaries outside of Singapore. Although substantially all of the amounts held outside of Singapore could be repatriated, under current laws, a significant amount could be subject to income tax withholdings. We provide for tax liabilities on these amounts for financial statement purposes, except for certain of our foreign earnings that are considered indefinitely reinvested outside of Singapore (approximately $1.2 billion as of March 31, 2017). Repatriation could result in an additional income tax payment; however, our intent is to permanently reinvest these funds outside of Singapore and our current plans do not demonstrate a need to repatriate them to fund our operations in jurisdictions outside of where they are held. Where local restrictions prevent an efficient intercompany transfer of funds, our intent is that cash balances would remain outside of Singapore and we would meet our liquidity needs through ongoing cash flows, external borrowings, or both.

Fiscal Year 2017

Cash provided by operating activities was $1.1 billion during fiscal year 2017. This resulted primarily from $319.6 million of net income for the period plus $673.6 million of non-cash charges such as depreciation, amortization, other impairment charges, provision for doubtful accounts and stock-based compensation expense that are included in the determination of net income. Depreciation expense comprised $432.2 million of those non-cash charges, which was relatively consistent with our normal annual run rate of approximately $425 million. We generated $156.7 million in cash as a result of changes in our operating assets and liabilities, driven primarily by a $268.7 million increase in accounts payable, offset by a $184.0 million increase in accounts receivable. Net working capital ("NWC"), defined as net accounts receivable, including deferred purchase price receivables, plus inventory less accounts payable decreased by $189.5 million primarily due to an increase in accounts payables and reduction in our inventory.

Cash used in investing activities was $0.7 billion during fiscal year 2017. This resulted primarily from $489.5 million of net capital expenditures for property and equipment to expand capability and capacity in support of our automotive and medical businesses and further investments in both automation and expanding technologies to support our innovation services. We also paid $189.1 million for the acquisition of four businesses, net of cash acquired, including $161.7 million, net of $18.0 million of cash acquired related to the acquisition of manufacturing facilities from Bose. Further, $60.0 million was paid for a non-controlling interest in a joint venture with RIB Software AG as our partner. Offsetting this was proceeds from various other investing activities of $63.5 million, most notably the receipt of $36.7 million for the sale of two non-strategic businesses.

Cash used in financing activities was $242.1 million during fiscal year 2017. This was primarily for the repurchase of ordinary shares in the amount $349.5 million, and $31.4 million of cash paid to a third party banking institution for certain assets that were financed by the third party banking institution on behalf of a customer, which is included in other financing activities, as further discussed in note 2 to the consolidated financial statements. These cash outflows were partially offset by $171.0 million of net proceeds from bank borrowings and long-term debt, of which $130.0 million is the incremental amount borrowed extending the maturity date of one of our loan agreements from August 30, 2018 to November 30, 2021, and $107.4 million is the amount of proceeds from the €100 million term loan, discussed further in note 7 to the consolidated financial statements.

Fiscal Year 2016

Cash provided by operating activities was $1.1 billion during fiscal year 2016. This resulted primarily from $444.1 million of net income for the period plus $625.4 million of non-cash charges such as depreciation, amortization, other impairment charges, provision for doubtful accounts and stock-based compensation expense that are included in the determination of net income. Depreciation expense comprised $425.7 million of those non-cash charges, which was relatively consistent with our normal annual run rate of approximately $425.0 million. We generated $66.9 million in cash as a result of changes in our operating assets and liabilities, driven primarily by a $423.6 million reduction in accounts receivable due to improved collection efforts and lower business levels, offset by a $365.1 million reduction in accounts payable. Net working capital, defined as net accounts receivable, including deferred purchase price receivables, plus inventory less accounts payable decreased by $37.7 million primarily due to lower business levels during the fourth quarter of fiscal year 2016 as compared to the same quarter of fiscal year 2015, which resulted in slightly lower levels of investments in NWC.

Cash used in investing activities was $1.4 billion during fiscal year 2016. This resulted primarily from $916.5 million for the acquisition of eleven businesses completed during fiscal year 2016, including approximately $555.2 million, net of cash acquired, related to the acquisition of MCi, $240.8 million, net of cash acquired, related to the acquisition of NEXTracker, and approximately $67.5 million to acquire an optical transport facility from Alcatel-Lucent. We also paid $510.6 million in gross capital expenditures for property and equipment to support certain programs, offset by $13.7 million of proceeds from the sale of certain buildings and machinery and equipment. Other investing activities also includes $44.7 million paid for the purchase of certain investments, offset by $54.3 million of proceeds from the sale of certain assets that were purchased on behalf of a customer and financed by a third party banking institution, as further discussed in note 17 to the consolidated financial statements.

Cash provided by financing activities was $249.6 million during fiscal year 2016, which was primarily the result of net proceeds from bank borrowings and long-term debt of $694.5 million mainly resulting from our new debt issuance discussed further in note 7 to the consolidated financial statements, and $61.3 million from the issuance of our shares for option exercises. These cash inflows were partially offset by $420.3 million of cash paid for the repurchase of our ordinary shares, and $75.8 million of cash paid to a third party banking institution for certain assets that were financed by the third party banking institution on behalf of a customer, which is included in other financing activities.

Fiscal Year 2015

Cash provided by operating activities was $794.0 million during fiscal year 2015. This resulted primarily from $600.8 million of net income for the period plus $510.9 million of non-cash charges such as depreciation, amortization, other impairment charges and stock-based compensation expense that are included in the determination of net income. Depreciation expense comprised $496.8 million of those non-cash charges, which was higher than our normal annual run rate of approximately $425.0 million due to accelerated depreciation recognized for fixed assets directly associated with certain product exits during the year. These were offset by $317.6 million from changes in our operating assets and liabilities, driven primarily by a $565.1 million reduction in customer deposits that were received in prior periods to support increased working capital requirements in those periods. NWC decreased by $212.5 million primarily due to lower business levels during the fourth quarter of fiscal year 2015 as compared to the same quarter of fiscal year 2014, which resulted in lower levels of investments in NWC.

Cash used in investing activities amounted to $242.2 million during fiscal year 2015. This resulted primarily from $347.4 million in gross capital expenditures for property and equipment to support certain programs, offset by $107.7 million of proceeds from the sale of certain buildings and machinery and equipment. We also paid $52.7 million for the acquisition of four businesses completed during fiscal year 2015. Other investing activities also includes $79.7 million of proceeds from the sale of manufacturing equipment originally purchased on behalf of a customer and financed by a third party banking institution, partially offset by $15.7 million paid for the purchase of certain technology rights.

Cash used in financing activities was $516.0 million during fiscal year 2015, which was primarily the result of cash paid for the repurchase of our ordinary shares in the amount of $415.9 million and net repayment of debt in the amount of $24.6 million. Included in other financing activities is $88.8 million of cash paid to a third party banking institution for certain manufacturing equipment that was financed by the third party banking institution on behalf of a customer and $11.3 million of cash paid for contingent consideration related to our acquisition of Saturn Electronics and Engineering Inc. The aforementioned cash outflows were partially offset by proceeds from the issuance of our shares for option exercises amounting to $23.5 million.

Key Liquidity Metrics

Free Cash flow

We believe free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repurchase company shares, fund acquisitions, make investments, repay debt obligations, and for certain other activities. Our free cash flow, which is calculated as cash provided by operations less net purchases of property and equipment, was $660.4 million, $639.5 million and $554.3 million for fiscal years 2017, 2016 and 2015, respectively.

Free cash flow is not a measure of liquidity under generally accepted accounting principles in the United States, and may not be defined and calculated by other companies in the same manner. Free cash flow should not be considered in isolation or as an alternative to net cash provided by operating activities. Free cash flows reconcile to the most directly comparable GAAP financial measure of cash flows from operations as follows:

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Net cash provided by operating activities	$1,149,909	$1,136,445	$ 794,034
Purchases of property and equipment	(525,111)	(510,634)	(347,413)
Proceeds from the disposition of property and equipment	35,606	13,676	107,689
Free cash flow	$ 660,404	$ 639,487	$ 554,310

Cash Conversion Cycle

	Fiscal Year Ended March 31,		
	2017	2016	2015
Days in trade accounts receivable	43 days	45 days	46 days
Days in inventory	58 days	59 days	58 days
Days in accounts payable	77 days	77 days	77 days
Cash conversion cycle	24 days	27 days	27 days

Days in trade accounts receivable was calculated as average accounts receivable for the current and prior quarter, adding back the reduction in accounts receivable for the deferred purchase price received in exchange for sales of accounts receivable under our global asset backed securitization programs, divided by annualized sales for the current quarter by day. During the fiscal year ended March 31, 2017, days in trade accounts receivable decreased by 2 days to 43 days compared to the fiscal year ended March 31, 2016 primarily due to better experience in collections. Deferred purchase price receivables included for the purposes of the calculation were $506.5 million, $501.1 million and $600.7 million for the years ended March 31, 2017, 2016 and 2015, respectively, and are recorded in other current assets in the consolidated balance sheets.

Days in inventory was calculated as average inventory for the current and prior quarter divided by annualized cost of sales for the current quarter by day. During the fiscal year ended March 31, 2017, days in inventory decreased by 1 day to 58 days as compared to the fiscal year ended March 31, 2016. The decrease was primarily the result of improved inventory management.

Days in accounts payable was calculated as average accounts payable for the current and prior quarter divided by annualized cost of sales for the current quarter by day. During the fiscal year ended March 31, 2017, days in accounts payable remained consistent at 77 days compared to the fiscal year ended March 31, 2016.

Our cash conversion cycle was calculated as days in trade receivables plus days in inventory, minus days in accounts payable and is a measure of how efficient we are at managing our working capital. Our cash conversion cycle decreased by 3 days for the fiscal year ended March 31, 2017 compared to that of fiscal year 2016 due to the factors affecting each of the components in the calculation discussed above.

Liquidity is affected by many factors, some of which are based on normal ongoing operations of the business and some of which arise from fluctuations related to global economics and markets. Cash balances are generated and held in many locations throughout the world. Local government regulations may restrict our ability to move cash balances to meet cash needs under certain circumstances; however, any current restrictions are not material. We do not currently expect such regulations and restrictions to impact our ability to pay vendors and conduct operations throughout the global organization. We believe that our existing cash balances, together with anticipated cash flows from operations and borrowings available under our credit facilities, will be sufficient to fund our operations through at least the next twelve months.

Future liquidity needs will depend on fluctuations in levels of inventory, accounts receivable and accounts payable, the timing of capital expenditures for new equipment, the extent to which we utilize operating leases for new facilities and equipment, and the levels of shipments and changes in the volumes of customer orders. We are also consciously elevating the levels of spend to support our new business models and investing across all aspects of our platform as we continue our shift to a *Sketch-to-Scale*™ portfolio.

In April 2017, the Company completed the acquisition of AGM Automotive for approximately $220 million, which expanded its capabilities in the automotive market, and is included within the HRS segment.

Historically, we have funded operations from cash and cash equivalents generated from operations, proceeds from public offerings of equity and debt securities, bank debt and lease financings. We also sell a designated pool of trade receivables under asset-backed securitization (“ABS”) programs and sell certain trade receivables, which are in addition to the trade receivables sold in connection with these securitization agreements. During fiscal years 2017, 2016 and 2015 we received approximately $5.7 billion, $5.2 billion and $4.3 billion, respectively from sales of receivables under our ABS programs, and $1.3 billion, $2.3 billion and $4.2 billion, respectively from other sales of receivables. As of March 31, 2017 and 2016, the outstanding balance on receivables sold for cash was $1.2 billion, for each year, under all our accounts receivable sales programs, which are removed from accounts receivable balances in our consolidated balance sheets.

We anticipate that we will enter into debt and equity financings, sales of accounts receivable and lease transactions to fund acquisitions and anticipated growth.

The sale or issuance of equity or convertible debt securities could result in dilution to current shareholders. Further, we may issue debt securities that have rights and privileges senior to those of holders of ordinary shares, and the terms of this debt could impose restrictions on operations and could increase debt service obligations. This increased indebtedness could limit our flexibility as a result of debt service requirements and restrictive covenants, potentially affect our credit ratings, and may limit our ability to access additional capital or execute our business strategy. Any downgrades in credit ratings could adversely affect our ability to borrow as a result of more restrictive borrowing terms. We continue to assess our capital structure and evaluate the merits of redeploying available cash to reduce existing debt or repurchase ordinary shares.

Historically we have been successful in refinancing and extending the maturity dates on our term loans and credit facilities. In November 2016, we entered into a new arrangement to extend the maturity date of a term loan agreement from August 2018 to November 2021, and borrowed an incremental amount of $130 million under the term loan, thereby increasing the total amount under the term loan to $700 million. In January 2017, we borrowed €100 million (approximately $107.4 million as of March 31, 2017), under a 5-year, term-loan agreement due January 2022. Refer to our Contractual Obligations and Commitments section for further description on these arrangements.

Under our current share repurchase program, our Board of Directors authorized repurchases of our outstanding ordinary shares for up to $500 million in accordance with the share repurchase mandate approved by our shareholders at the date of the most recent Annual General Meeting which was held on August 24, 2016. During fiscal year 2017, we paid $349.5 million to repurchase shares (under the current and prior repurchase plans) at an average price of $13.74 per share. As of March 31, 2017, shares in the aggregate amount of $285.3 million were available to be repurchased under the current plan.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Bank borrowings and long-term debt are as follows:

	As of March 31,	
	2017	2016
	(In thousands)	
Term Loan, including current portion, due in installments through March 2019	$ 502,500	$ 547,500
4.625% Notes due February 2020	500,000	500,000
Term Loan, including current portion, due in installments through November 2021	700,000	577,500
5.000% Notes due February 2023	500,000	500,000
4.750% Notes due June 2025	595,979	595,589
Other credit lines	169,671	71,317
Debt issuance costs	(16,007)	(17,351)
	2,952,143	2,774,555
Current portion, net of debt issuance costs	(61,534)	(65,166)
Non-current portion	$2,890,609	$2,709,389

Refer to the discussion in note 7, "Bank Borrowings and Long-Term Debt" to the consolidated financial statements for further details of our debt obligations.

We have purchase obligations that arise in the normal course of business, primarily consisting of binding purchase orders for inventory related items and capital expenditures. Additionally, we have leased certain of our property and equipment under capital lease commitments, and certain of our facilities and equipment under operating lease commitments.

Future payments due under our purchase obligations, debt including capital leases and related interest obligations and operating lease:

	Total	Less Than 1 Year	1 - 3 Years	4 - 5 Years	Greater Than 5 Years
			(In thousands)		
Contractual Obligations:					
Purchase obligations	$2,598,059	$2,598,059	$ —	$ —	$ —
Long-term debt and capital lease obligations					
Long-term debt	2,968,150	63,887	992,684	811,652	1,099,927
Capital lease	19,135	4,715	10,327	4,093	—
Interest on long-term debt obligations	700,386	110,196	233,586	238,979	117,625
Operating leases, net of subleases	553,148	117,217	167,437	94,525	173,969
Restructuring costs	23,501	23,501	—	—	—
Total contractual obligations	$6,862,379	$2,917,575	$1,404,034	$1,149,249	$1,391,521

We have excluded $203.3 million of liabilities for unrecognized tax benefits from the contractual obligations table as we cannot make a reasonably reliable estimate of the periodic settlements with the respective taxing authorities. See note 13, "Income Taxes" to the consolidated financial statements for further details.

Our purchase obligations can fluctuate significantly from period to period and can materially impact our future operating asset and liability balances, and our future working capital requirements. We intend to use our existing cash balances, together with anticipated cash flows from operations to fund our existing and future contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

We sell designated pools of trade receivables to unaffiliated financial institutions under our ABS programs, and in addition to cash, we receive a deferred purchase price receivable for each pool of the receivables sold. Each of these deferred purchase price receivables serves as additional credit support to the financial institutions and is recorded at its estimated fair value. As of March 31, 2017 and 2016, the fair value of our deferred purchase price receivable was approximately $506.5 million and $501.1 million, respectively. As of March 31, 2017 and 2016, the outstanding balance on receivables sold for cash was $1.2 billion for each period, under all our accounts receivable sales programs, which were removed from accounts receivable balances in our consolidated balance sheets. For further information, see note 10 to the consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to note 2 to the consolidated financial statements for recent accounting pronouncements.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

INTEREST RATE RISK

A portion of our exposure to market risk for changes in interest rates relates to our investment portfolio, which consists of highly liquid investments or bank deposits with maturities of three months or less from original dates of purchase and are classified as cash equivalents on our consolidated balance sheet. We do not use derivative financial instruments in our investment portfolio. We place cash and cash equivalents with various major financial institutions and highly rated money market accounts. Our investment policy has strict guidelines focusing on preservation of capital. The portfolio is comprised of various instruments including term deposits with banks, marketable securities and money market accounts. Our cash is principally invested in the U.S. dollar and China RMB serving as a natural hedge of our RMB denominated costs. As of March 31, 2017, the outstanding amount in the investment portfolio was $1.1 billion, the largest components of which were USD and RMB denominated money market accounts with an average return of 1.74%. A hypothetical 10% change in interest rates would not be expected to have a material effect on our financial position, results of operations and cash flows over the next fiscal year.

We had variable rate debt outstanding of approximately $1.4 billion as of March 31, 2017. Variable rate debt obligations consisted of borrowings under our term loans. Interest on these obligations is discussed above.

Our variable rate debt instruments create exposures for us related to interest rate risk. Primarily due to the current low interest rates a hypothetical 10% change in interest rates would not be expected to have a material effect on our financial position, results of operations and cash flows over the next fiscal year.

As of March 31, 2017, the approximate average fair value of our debt outstanding under our term loan facilities that matures in March 2019 and November 2021, and Notes due February 2020, February 2023 and June 2025 was 103.4% of the face value of the debt obligations based on broker trading prices.

FOREIGN CURRENCY EXCHANGE RISK

We transact business in various foreign countries and are, therefore, subject to risk of foreign currency exchange rate fluctuations. We have established a foreign currency risk management policy to manage this risk. To the extent possible, we manage our foreign currency exposure by evaluating and using non-financial techniques, such as currency of invoice, leading and lagging payments and receivables management. In addition, we may borrow in various foreign currencies and enter into short-term foreign currency forward, swap, and option contracts to hedge only those currency exposures associated with certain assets and liabilities, mainly accounts receivable and accounts payable, and cash flows denominated in non-functional currencies.

We endeavor to maintain a partial or fully hedged position for certain transaction exposures. These exposures are primarily, but not limited to, revenues, customer and vendor payments and inter-company balances in currencies other than the functional currency unit of the operating entity. The credit risk of our foreign currency forward and swap contracts is minimized since all contracts are with large financial institutions and accordingly, fair value adjustments related to the credit risk of the counter-party financial institution were not material. The gains and losses on forward and swap contracts generally offset the losses and gains on the assets, liabilities and transactions hedged. The fair value of currency forward and swap contracts is reported on the balance sheet. The aggregate notional amount of outstanding contracts as of March 31, 2017 amounted to $4.1 billion and the recorded fair values of the associated assets and liabilities were not material. The majority of these foreign exchange contracts expire in less than three months and all expire within one year. They will settle primarily in Brazilian real, British pound, China renminbi, Danish krone, the Euro, Hungarian forint, Israeli shekel, Malaysian ringgit, Mexican peso, Singapore dollar, Indian rupee, Swiss franc and the U.S. dollar.

Based on our overall currency rate exposures as of March 31, 2017, including the derivative financial instruments intended to hedge the nonfunctional currency-denominated monetary assets, liabilities and cash flows, a near-term 10% appreciation or depreciation of the U.S. dollar from its cross-functional rates would not be expected to have a material effect on our financial position, results of operations and cash flows over the next fiscal year.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Flex Ltd. and subsidiaries (the "Company") as of March 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Flex Ltd. and subsidiaries as of March 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of March 31, 2017, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 16, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
May 16, 2017

FLEX LTD.

CONSOLIDATED BALANCE SHEETS

	As of March 31, 2017	As of March 31, 2016
	(In thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,830,675	$ 1,607,570
Accounts receivable, net of allowance for doubtful accounts (Note 2)	2,192,704	2,044,757
Inventories	3,396,462	3,491,656
Other current assets	967,935	1,171,143
Total current assets	8,387,776	8,315,126
Property and equipment, net	2,317,026	2,257,633
Goodwill	984,867	942,066
Other intangible assets, net	362,181	403,754
Other assets	541,513	466,402
Total assets	$12,593,363	$12,384,981
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings and current portion of long-term debt	$ 61,534	$ 65,166
Accounts payable	4,484,908	4,248,292
Accrued payroll	344,245	353,547
Other current liabilities	1,613,940	1,905,200
Total current liabilities	6,504,627	6,572,205
Long-term debt, net of current portion	2,890,609	2,709,389
Other liabilities	519,851	497,857
Commitments and contingencies (Note 12)		
Shareholders' equity		
Flex Ltd. Shareholders' equity		
Ordinary shares, no par value; 581,534,129 and 595,062,966 issued, and 531,294,774 and 544,823,611 outstanding as of March 31, 2017 and 2016, respectively	6,733,539	6,987,214
Treasury stock, at cost; 50,239,355 shares as of March 31, 2017 and 2016, respectively	(388,215)	(388,215)
Accumulated deficit	(3,572,648)	(3,892,212)
Accumulated other comprehensive loss	(128,143)	(135,915)
Total Flex Ltd. shareholders' equity	2,644,533	2,570,872
Noncontrolling interests	33,743	34,658
Total shareholders' equity	2,678,276	2,605,530
Total liabilities and shareholders' equity	$12,593,363	$12,384,981

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

FLEX LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended March 31,		
	2017	2016	2015
	(In thousands, except per share amounts)		
Net sales	$23,862,934	$24,418,885	$26,147,916
Cost of sales	22,303,231	22,810,824	24,602,576
Restructuring charges	38,758	—	—
Gross profit	1,520,945	1,608,061	1,545,340
Selling, general and administrative expenses	937,339	954,890	844,473
Intangible amortization	81,396	65,965	32,035
Restructuring charges	10,637	—	—
Other charges (income), net	21,193	47,738	(53,233)
Interest and other, net	99,532	84,793	51,410
Income before income taxes	370,848	454,675	670,655
Provision for income taxes	51,284	10,594	69,854
Net income	$ 319,564	$ 444,081	$ 600,801
Earnings per share:			
Basic	$ 0.59	$ 0.80	$ 1.04
Diluted	$ 0.59	$ 0.79	$ 1.02
Weighted-average shares used in computing per share amounts:			
Basic	540,503	557,667	579,981
Diluted	546,220	564,869	591,556

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

FLEX LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Net income	$319,564	$444,081	$600,801
Other comprehensive income (loss):			
Foreign currency translation adjustments, net of zero tax	(1,324)	17,846	(18,932)
Unrealized gain (loss) on derivative instruments and other, net of zero tax	9,096	26,744	(35,417)
Comprehensive income	$327,336	$488,671	$546,452

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

FLEX LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Ordinary Shares			Accumulated Other Comprehensive Loss					
	Shares Outstanding	Amount	Accumulated Deficit	Unrealized Gain (loss) on Derivative Instruments and Other	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss	Total Flex Ltd. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
				(In thousands)					
BALANCE AT MARCH 31, 2014	591,427	$7,226,300	$(4,937,094)	$(32,849)	$ (93,307)	$(126,156)	$2,163,050	$38,629	$2,201,679
Repurchase of Flex Ltd. ordinary shares at cost	(38,951)	(421,687)	—	—	—	—	(421,687)	—	(421,687)
Exercise of stock options	3,601	23,497	—	—	—	—	23,497	11	23,508
Issuance of Flex Ltd. vested shares under share bonus awards	7,246	—	—	—	—	—	—	—	—
Issuance of subsidiary shares	—	—	—	—	—	—	—	300	300
Net income	—	—	600,801	—	—	—	600,801	(4,272)	596,529
Stock-based compensation, net of tax	—	49,502	—	—	—	—	49,502	768	50,270
Total other comprehensive loss	—	—	—	(35,417)	(18,932)	(54,349)	(54,349)	—	(54,349)
BALANCE AT MARCH 31, 2015	563,323	6,877,612	(4,336,293)	(68,266)	(112,239)	(180,505)	2,360,814	35,436	2,396,250
Repurchase of Flex Ltd. ordinary shares at cost	(37,314)	(412,819)	—	—	—	—	(412,819)	—	(412,819)
Exercise of stock options	10,244	61,278	—	—	—	—	61,278	486	61,764
Issuance of Flex Ltd. vested shares under share bonus awards	8,570	—	—	—	—	—	—	—	—
Premium on acquired equity plan	—	799	—	—	—	—	799	—	799
Net income	—	—	444,081	—	—	—	444,081	(6,715)	437,366
Stock-based compensation, net of tax	—	72,129	—	—	—	—	72,129	5,451	77,580
Total other comprehensive income	—	—	—	26,744	17,846	44,590	44,590	—	44,590
BALANCE AT MARCH 31, 2016	544,823	6,598,999	(3,892,212)	(41,522)	(94,393)	(135,915)	2,570,872	34,658	2,605,530
Repurchase of Flex Ltd. ordinary shares at cost	(25,125)	(345,782)	—	—	—	—	(345,782)	—	(345,782)
Exercise of stock options	2,283	12,438	—	—	—	—	12,438	610	13,048
Issuance of Flex Ltd. vested shares under share bonus awards	9,313	—	—	—	—	—	—	—	—
Issuance of subsidiary shares	—	—	—	—	—	—	—	9,306	9,306
Net income	—	—	319,564	—	—	—	319,564	(8,492)	311,072
Stock-based compensation, net of tax	—	79,669	—	—	—	—	79,669	(2,339)	77,330
Total other comprehensive income	—	—	—	9,096	(1,324)	7,772	7,772	—	7,772
BALANCE AT MARCH 31, 2017	531,294	$6,345,324	$(3,572,648)	$(32,426)	$ (95,717)	$(128,143)	$2,644,533	$33,743	$2,678,276

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

FLEX LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Cash flows from operating activities:			
Net income	$ 319,564	$ 444,081	$ 600,801
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and other impairment charges	609,660	515,367	540,490
Provision (reversal) for doubtful accounts (Note 2)	(184)	72,295	650
Non-cash other loss (income)	6,858	24,521	(21,278)
Stock-based compensation	77,330	77,580	50,270
Income taxes	(20,041)	(64,346)	(59,261)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(164,239)	317,946	316,773
Inventories	85,047	84,790	72,660
Other current and noncurrent assets	84,949	(2,704)	125,218
Accounts payable	268,686	(365,051)	(176,941)
Other current and noncurrent liabilities	(117,721)	31,966	(655,348)
Net cash provided by operating activities	1,149,909	1,136,445	794,034
Cash flows from investing activities:			
Purchases of property and equipment	(525,111)	(510,634)	(347,413)
Proceeds from the disposition of property and equipment	35,606	13,676	107,689
Acquisition of businesses, net of cash acquired	(189,084)	(916,527)	(66,854)
Proceeds from divestitures of businesses, net of cash held in divested businesses	36,731	5,740	—
Other investing activities, net	(60,329)	11,369	64,362
Net cash used in investing activities	(702,187)	(1,396,376)	(242,216)
Cash flows from financing activities:			
Proceeds from bank borrowings and long-term debt	312,741	884,702	319,542
Repayments of bank borrowings and long-term debt	(141,730)	(190,221)	(344,156)
Payments for repurchases of ordinary shares	(349,532)	(420,317)	(415,945)
Proceeds from exercise of stock options	12,438	61,278	23,508
Other financing activities, net	(76,024)	(85,800)	(98,966)
Net cash provided by (used in) financing activities	(242,107)	249,642	(516,017)
Effect of exchange rates on cash	17,490	(10,549)	(1,121)
Net change in cash and cash equivalents	223,105	(20,838)	34,680
Cash and cash equivalents, beginning of year	1,607,570	1,628,408	1,593,728
Cash and cash equivalents, end of year	$1,830,675	$ 1,607,570	$1,628,408

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

FLEX LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION OF THE COMPANY

Flex Ltd., formerly Flextronics International Ltd., ("Flex" or the "Company") was incorporated in the Republic of Singapore in May 1990. The Company's operations have expanded over the years through a combination of organic growth and acquisitions. The Company is a globally-recognized, provider of *Sketch-to-Scale*™ services—innovative design, engineering, manufacturing, and supply chain services and solutions—from conceptual sketch to full-scale production. The Company designs, builds, ships and services complete packaged consumer and industrial products, from athletic shoes to electronics, for companies of all sizes in various industries and end-markets, through its activities in the following segments: Communications & Enterprise Compute ("CEC"), which includes telecom business of radio access base stations, remote radio heads, and small cells for wireless infrastructure; networking business which includes optical, routing, broadcasting, and switching products for the data and video networks; server and storage platforms for both enterprise and cloud-based deployments; next generation storage and security appliance products; and rack level solutions, converged infrastructure and software-defined product solutions; Consumer Technologies Group ("CTG"), which includes consumer-related businesses in connected living, wearables, gaming, augmented and virtual reality, fashion, and mobile devices; and including various supply chain solutions for notebook personal computers ("PC"), tablets, and printers; in addition, CTG is expanding its business relationships to include supply chain optimization for non-electronics products such as footwear and clothing; Industrial and Emerging Industries ("IEI"), which is comprised of energy and metering, semiconductor and capital equipment, office solutions, household industrial and lifestyle, industrial automation and kiosks, and lighting; and High Reliability Solutions ("HRS"), which is comprised of medical business, including consumer health, digital health, disposables, precision plastics, drug delivery, diagnostics, life sciences and imaging equipment; automotive business, including vehicle electrification, connectivity, autonomous vehicles, and clean technologies; and defense and aerospace businesses, focused on commercial aviation, defense and military.

The Company's service offerings include a comprehensive range of value-added design and engineering services that are tailored to the various markets and needs of its customers. Other focused service offerings relate to manufacturing (including enclosures, metals, plastic injection molding, precision plastics, machining, and mechanicals), system integration and assembly and test services, materials procurement, inventory management, logistics and after-sales services (including product repair, warranty services, re-manufacturing and maintenance) and supply chain management software solutions and component product offerings (including rigid and flexible printed circuit boards and power adapters and chargers).

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Flex and its majority-owned subsidiaries, after elimination of intercompany accounts and transactions. Amounts included in these consolidated financial statements are expressed in U.S. dollars unless otherwise designated. The Company consolidates its majority-owned subsidiaries and investments in entities in which the Company has a controlling interest. For the consolidated majority-owned subsidiaries in which the Company owns less than 100%, the Company recognizes a noncontrolling interest for the ownership of the noncontrolling owners. As of March 31, 2017, the noncontrolling interest has been included on the consolidated balance sheets as a component of total shareholders' equity. The associated noncontrolling owners' interest in the income or losses of these companies is classified as a component of interest and other, net, in the consolidated statements of operations.

The Company has certain non-majority-owned equity investments in non-publicly traded companies that are accounted for using the equity method of accounting. The equity method of accounting is used when the Company has the ability to significantly influence the operating decisions of the issuer, or if the Company has an ownership percentage of a corporation equal to or generally greater than 20% but less than 50%, and for non-majority-owned investments in partnerships when generally greater than 5%. The equity in earnings (losses) of equity method investees are immaterial for all of the periods presented, and are included in interest and other, net in the condensed consolidated statements of operations.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things: allowances for doubtful accounts; inventory write-downs; valuation allowances for deferred tax assets; uncertain tax positions; valuation and useful lives of long-lived assets including property, equipment, intangible assets and goodwill; asset impairments; fair values of financial instruments including investments, notes receivable and derivative instruments; restructuring charges; contingencies; warranty provisions; fair values of assets obtained and liabilities assumed in business combinations and the fair values of stock options and share bonus awards granted under the Company's stock-based compensation plans. Actual results may differ from previously estimated amounts, and such differences may be material to the consolidated financial statements. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period they occur.

Translation of Foreign Currencies

The financial position and results of operations for certain of the Company's subsidiaries are measured using a currency other than the U.S. dollar as their functional currency. Accordingly, all assets and liabilities for these subsidiaries are translated into U.S. dollars at the current exchange rates as of the respective balance sheet dates. Revenue and expense items are translated at the average exchange rates prevailing during the period. Cumulative gains and losses from the translation of these subsidiaries' financial statements are reported as other comprehensive loss, a component of shareholders' equity. Foreign exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved, and re-measurement adjustments for foreign operations where the U.S. dollar is the functional currency, are included in operating results. Non-functional currency transaction gains and losses, and re-measurement adjustments were not material to the Company's consolidated results of operations for any of the periods presented, and have been classified as a component of interest and other, net in the consolidated statements of operations.

Revenue Recognition

The Company recognizes manufacturing revenue when it ships goods or the goods are received by its customer, title and risk of ownership have passed, the price to the buyer is fixed or determinable and recoverability is reasonably assured. Generally, there are no formal substantive customer acceptance requirements or further obligations related to manufacturing services. If such requirements or obligations exist, then the Company recognizes the related revenues at the time when such requirements are completed and the obligations are fulfilled. Some of the Company's customer contracts allow the recovery of certain costs related to manufacturing services that are over and above the prices charged for the related products. The Company determines the amount of costs that are recoverable based on historical experiences and agreements with those customers. Also, certain customer contracts may contain certain commitments and obligations that may result in additional expenses or decrease in revenue. The Company accrues for these commitments and obligations based on facts and circumstances and contractual terms. The Company also makes provisions for estimated sales returns and other adjustments at the time revenue is recognized based upon contractual terms and an analysis of historical returns. Provisions for sales returns and other adjustments were not material to the consolidated financial statements for any of the periods presented.

The Company also recognizes revenue in accordance with multiple-element arrangements accounting codified under U.S. GAAP for arrangements that contain multiple deliverables. The Company determined that its multiple-element arrangements are generally comprised of arrangements where multiple product components are sold together as part of a complete system. Depending on the contractual provisions of the respective contracts, the Company has concluded that the units of accounting for such arrangements are, in most cases, comprised of an aggregation of product components, however, may also be established at the product component level. For

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

multiple-element arrangements, revenue is allocated to each unit of accounting based on their relative selling prices. Relative selling prices are based first on vendor specific objective evidence of fair value ("VSOE"), then on third-party evidence of selling price ("TPE") when VSOE does not exist, and then on management's best estimate of the selling price ("BESP") when VSOE and TPE do not exist. The Company bases the allocation of revenue on BESP, because the Company does not have either VSOE or TPE for the respective deliverables.

The Company provides a comprehensive suite of services for its customers that range from advanced product design to manufacturing and logistics to after-sales services. The Company recognizes service revenue when the services have been performed, and the related costs are expensed as incurred. Sales for services were less than 10% of the Company's total sales for all periods presented, and accordingly, are included in net sales in the consolidated statements of operations. The Company recognized research and development costs primarily related to its design and innovations businesses of $65.6 million, $61.0 million, and $26.3 million for the fiscal years ended March 31, 2017, 2016 and 2015, respectively. Research and development costs for prior years have been recast to conform to fiscal year 2017 presentation.

Concentration of Credit Risk

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

Customer Credit Risk

The Company has an established customer credit policy, through which it manages customer credit exposures through credit evaluations, credit limit setting, monitoring, and enforcement of credit limits for new and existing customers. The Company performs ongoing credit evaluations of its customers' financial condition and makes provisions for doubtful accounts based on the outcome of those credit evaluations. The Company evaluates the collectability of its accounts receivable based on specific customer circumstances, current economic trends, historical experience with collections and the age of past due receivables. To the extent the Company identifies exposures as a result of credit or customer evaluations, the Company also reviews other customer related exposures, including but not limited to inventory and related contractual obligations.

On April 21, 2016, SunEdison, Inc. (together with certain of its subsidiaries, "SunEdison"), filed a petition for reorganization under bankruptcy law. During the fiscal year ended March 31, 2016, the Company recognized a bad debt reserve charge of $61.0 million associated with its outstanding SunEdison receivables and accepted return of previously shipped inventory of approximately $90.0 million. During the second quarter of fiscal year 2017, prices for solar panel modules declined significantly. The Company determined that certain solar panel inventory previously designated for SunEdison on hand at the end of the second quarter of fiscal year 2017 was not fully recoverable and recorded a charge of $60.0 million to reduce the carrying costs to market during fiscal year 2017. In addition, the Company recognized a $16.0 million impairment charge for solar module equipment and incurred $16.9 million of incremental costs primarily related to negative margin sales and other associated solar panel direct costs. The total charge for fiscal year 2017 of $92.9 million is included in cost of sales

The following table summarizes the activity in the Company's allowance for doubtful accounts during fiscal years 2017, 2016 and 2015:

	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions/ Write-Offs	Balance at End of Year
		(In thousands)		
Allowance for doubtful accounts:				
Year ended March 31, 2015	$ 5,529	$ 650	$ (1,645)	$ 4,534
Year ended March 31, 2016	$ 4,534	$72,295	$(12,221)	$64,608
Year ended March 31, 2017	$64,608	$ (184)	$ (7,122)	$57,302

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

For the fiscal year ended March 31, 2016, the Company recognized a bad debt charge of $61.0 million associated with its outstanding SunEdison receivables as explained above, and another charge of $10.5 million relating to a separate distressed customer which was also written-off during the year.

One customer (including net sales from its current and former parent companies, through the dates of their respective ownership), which is within the Company's CTG segment, accounted for approximately 11% and 17% of the Company's net sales in fiscal years 2016 and 2015, respectively, and approximately 17% and 11% of the Company's total accounts receivable balances in fiscal years 2017 and 2016, respectively. Another customer included in the Company's CEC segment, accounted for approximately 11% of the Company's total accounts receivable balance in fiscal years 2016.

The Company's ten largest customers accounted for approximately 43%, 46% and 50%, of its net sales in fiscal years 2017, 2016 and 2015, respectively.

Derivative Instruments

The amount subject to credit risk related to derivative instruments is generally limited to the amount, if any, by which a counterparty's obligations exceed the obligations of the Company with that counterparty. To manage counterparty risk, the Company limits its derivative transactions to those with recognized financial institutions. See additional discussion of derivatives in note 8.

Cash and Cash Equivalents

The Company maintains cash and cash equivalents with various financial institutions that management believes to be of high credit quality. These financial institutions are located in many different locations throughout the world. The Company's investment portfolio, which consists of short-term bank deposits and money market accounts, is classified as cash equivalents on the consolidated balance sheets.

All highly liquid investments with maturities of three months or less from original dates of purchase are carried at cost, which approximates fair market value, and are considered to be cash equivalents. Cash and cash equivalents consist of cash deposited in checking accounts, money market funds and time deposits.

Cash and cash equivalents consisted of the following:

	As of March 31,	
	2017	2016
	(In thousands)	
Cash and bank balances	$ 763,834	$ 533,438
Money market funds and time deposits	1,066,841	1,074,132
	$1,830,675	$1,607,570

Inventories

Inventories are stated at the lower of cost (on a first-in, first-out basis) or market value. The stated cost is comprised of direct materials, labor and overhead. The components of inventories, net of lower of cost or market write-downs, were as follows:

	As of March 31,	
	2017	2016
	(In thousands)	
Raw materials	$2,537,623	$2,234,512
Work-in-progress	279,493	561,282
Finished goods	579,346	695,862
	$3,396,462	$3,491,656

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2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Property and Equipment, Net

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are recognized on a straight-line basis over the estimated useful lives of the related assets, with the exception of building leasehold improvements, which are amortized over the term of the lease, if shorter. Repairs and maintenance costs are expensed as incurred. Property and equipment was comprised of the following:

	Depreciable Life (In Years)	As of March 31, 2017	As of March 31, 2016
		(In thousands)	
Machinery and equipment	3 - 10	$ 3,233,392	$ 3,187,590
Buildings	30	1,237,739	1,144,798
Leasehold improvements	up to 30	395,663	397,340
Furniture, fixtures, computer equipment and software	3 - 7	502,223	477,203
Land	—	145,663	127,927
Construction-in-progress	—	212,326	178,851
		5,727,006	5,513,709
Accumulated depreciation and amortization		(3,409,980)	(3,256,076)
Property and equipment, net		$ 2,317,026	$ 2,257,633

Total depreciation expense associated with property and equipment amounted to approximately $432.2 million, $425.7 million and $496.8 million in fiscal years 2017, 2016 and 2015, respectively.

The Company reviews property and equipment for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property and equipment is determined by comparing its carrying amount to the lowest level of identifiable projected undiscounted cash flows the property and equipment are expected to generate. An impairment loss is recognized when the carrying amount of property and equipment exceeds its fair value.

Deferred Income Taxes

The Company provides for income taxes in accordance with the asset and liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences between the carrying amount and the tax basis of existing assets and liabilities by applying the applicable statutory tax rate to such differences. Additionally, the Company assesses whether each income tax position is “more likely than not” of being sustained on audit, including resolution of related appeals or litigation, if any. For each income tax position that meets the “more likely than not” recognition threshold, the Company would then assess the largest amount of tax benefit that is greater than 50% likely of being realized upon effective settlement with the tax authority.

Accounting for Business and Asset Acquisitions

The Company has actively pursued business and asset acquisitions, which are accounted for using the acquisition method of accounting. The fair value of the net assets acquired and the results of the acquired businesses are included in the Company’s consolidated financial statements from the acquisition dates forward. The Company is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and results of operations during the reporting period. Estimates are used in accounting for, among other things, the fair value of acquired net operating assets, property and equipment, intangible assets and related deferred tax liabilities, useful lives of plant and equipment and amortizable lives for acquired intangible assets. Any excess of the purchase consideration over the fair value of the identified assets and liabilities acquired is recognized as goodwill.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

The Company estimates the preliminary fair value of acquired assets and liabilities as of the date of acquisition based on information available at that time. Contingent consideration is recorded at fair value as of the date of the acquisition with subsequent adjustments recorded in earnings. Changes to valuation allowances on acquired deferred tax assets are recognized in the provision for, or benefit from, income taxes. The valuation of these tangible and identifiable intangible assets and liabilities is subject to further management review and may change materially between the preliminary allocation and end of the purchase price allocation period. Any changes in these estimates may have a material effect on the Company's consolidated operating results or financial position.

Goodwill

Goodwill is tested for impairment on an annual basis and whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. Recoverability of goodwill is measured at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit, which is measured based upon, among other factors, market multiples for comparable companies as well as a discounted cash flow analysis. If the recorded value of the assets, including goodwill, and liabilities ("net book value") of each reporting unit exceeds its fair value, an impairment loss may be required to be recognized. Further, to the extent the net book value of the Company as a whole is greater than its fair value in the aggregate, all, or a significant portion of its goodwill may be considered impaired.

The Company has four reporting units, which correspond to its four reportable operating segments: HRS, CTG, IEI and CEC. The Company concluded that there was no change to its reporting units in fiscal year 2017 and performed its goodwill impairment assessment on January 1, 2017. In lieu of the qualitative "Step Zero" assessment, the Company performed a quantitative assessment of its goodwill and determined that no impairment existed as of the date of the impairment test because the fair value of each reporting unit exceeded its carrying value.

The following table summarizes the activity in the Company's goodwill during fiscal years 2017 and 2016 (in thousands):

	HRS	CTG	IEI	CEC	Total
Balance, as of March 31, 2015	$ 93,138	$ 68,234	$ 64,221	$108,038	$333,631
Additions(1)	340,610	—	258,582	3,655	602,847
Purchase accounting adjustments(3)	125	—	—	—	125
Foreign currency translation adjustments(4)	5,463	—	—	—	5,463
Balance, as of March 31, 2016	439,336	68,234	322,803	111,693	942,066
Additions(1)	—	42,989	17,544	3,309	63,842
Divestitures(2)	(1,787)	—	(2,640)	—	(4,427)
Purchase accounting adjustments(3)	794	—	—	—	794
Foreign currency translation adjustments(4)	(17,408)	—	—	—	(17,408)
Balance, as of March 31, 2017	$420,935	$111,223	$337,707	$115,002	$984,867

(1) The goodwill generated from the Company's business combinations completed during the fiscal years 2017 and 2016 are primarily related to value placed on the employee workforce, service offerings and capabilities and expected synergies. The goodwill is not deductible for income tax purposes. Refer to the discussion of the Company's business acquisitions in note 17.

(2) During the fiscal year ended March 31, 2017, the Company disposed of two non-strategic businesses within the IEI and HRS segments, and recorded an aggregate reduction of goodwill of $4.4 million accordingly, which is included in the loss on sale recorded in other charges, net on the consolidated statement of operations.

(3) Includes adjustments based on management's estimates resulting from their review and finalization of the valuation of assets and liabilities acquired through certain business combinations completed in a period subsequent to the respective acquisition. These adjustments were not individually, nor in the aggregate, significant to the Company.

(4) During the fiscal years ended March 31, 2017 and 2016, the Company recorded $17.4 million and $5.5 million, respectively, of foreign currency translation adjustments primarily related to the goodwill associated with the acquisition of Mirror Controls International ("MCi") in fiscal year 2016, as the U.S. Dollar fluctuated against the Euro.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Other Intangible Assets

The Company's acquired intangible assets are subject to amortization over their estimated useful lives and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable. An impairment loss is recognized when the carrying amount of an intangible asset exceeds its fair value. The Company reviewed the carrying value of its intangible assets as of March 31, 2017 and concluded that such amounts continued to be recoverable.

Intangible assets are comprised of customer-related intangible assets, that include contractual agreements and customer relationships; and licenses and other intangible assets, that are primarily comprised of licenses and also includes patents and trademarks, and developed technologies. Generally, both customer-related intangible assets and licenses and other intangible assets are amortized on a straight line basis, over a period of up to ten years. No residual value is estimated for any intangible assets. The fair value of the Company's intangible assets purchased through business combinations is determined based on management's estimates of cash flow and recoverability. The components of acquired intangible assets are as follows:

	As of March 31, 2017			As of March 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets:						
Customer-related intangibles	$260,704	$(105,912)	$154,792	$223,046	$ (66,473)	$156,573
Licenses and other intangibles	283,897	(76,508)	207,389	285,053	(37,872)	247,181
Total	$544,601	$(182,420)	$362,181	$508,099	$(104,345)	$403,754

The gross carrying amounts of intangible assets are removed when fully amortized. During fiscal year 2017, the gross carrying amounts of fully amortized intangible assets totaled $14.2 million. During fiscal year 2017, the gross carrying amount of intangible assets increased primarily in connection with the Company's acquisitions during the year. Total intangible asset amortization expense recognized in operations during fiscal years 2017, 2016 and 2015 was $81.4 million, $66.0 million and $32.0 million, respectively. As of March 31, 2017, the weighted-average remaining useful lives of the Company's intangible assets were approximately 6.6 years for both customer-related intangibles and licenses and other intangible assets. The estimated future annual amortization expense for acquired intangible assets is as follows:

Fiscal Year Ending March 31,	Amount
	(In thousands)
2018	$ 68,472
2019	61,582
2020	52,439
2021	48,266
2022	39,714
Thereafter	91,708
Total amortization expense	$362,181

Derivative Instruments and Hedging Activities

All derivative instruments are recognized on the consolidated balance sheets at fair value. If the derivative instrument is designated as a cash flow hedge, effectiveness is tested monthly using a regression analysis of the change in spot currency rates and the change in present value of the spot currency rates. The spot currency rates are discounted to present value using functional currency Inter-bank Offering Rates over the maximum length of the hedge period. The effective portion of changes in the fair value of the derivative instrument (excluding time

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

value) is recognized in shareholders' equity as a separate component of accumulated other comprehensive income (loss), and recognized in the consolidated statements of operations when the hedged item affects earnings. Ineffective and excluded portions of changes in the fair value of cash flow hedges are recognized in earnings immediately. If the derivative instrument is designated as a fair value hedge, the changes in the fair value of the derivative instrument and of the hedged item attributable to the hedged risk are recognized in earnings in the current period. Additional information is included in note 8.

Other Current Assets

Other current assets include approximately $506.5 million and $501.1 million as of March 31, 2017 and 2016, respectively for the deferred purchase price receivable from the Company's Global and North American Asset-Backed Securitization programs. See note 10 for additional information.

In connection with a prior acquisition, the Company entered into an agreement with a customer and a third party banking institution to procure certain manufacturing equipment that was financed by the third party banking institution, acting as an agent of the customer. The manufacturing equipment was used exclusively for the benefit of this customer. During fiscal year 2015, the Company ceased manufacturing of the product related to the financed equipment. As a result, pursuant to an agreement with the customer the Company as an agent on behalf of the customer dispositioned the equipment via sales to third parties and used the proceeds to reduce the obligation to the third party banking institution. Accordingly, the residual value due from the customer related to the equipment financed by the third party banking institution was $83.6 million as of March 31, 2016, and was included in other current assets. During fiscal year 2017, the Company entered into an agreement with the third party banking institution and the customer granted a waiver of any amounts owed under the financing arrangement which allowed for a net settlement of the related asset and liability.

Investments

The Company has certain equity investments in, and notes receivable from, non-publicly traded companies which are included within other assets. The equity method of accounting is used when the Company has the ability to significantly influence the operating decisions of the issuer; otherwise the cost method is used. Non-majority-owned investments in corporations are accounted for using the equity method when the Company has an ownership percentage equal to or generally greater than 20% but less than 50%, and for non-majority-owned investments in partnerships when generally greater than 5%. The Company monitors these investments for impairment indicators and makes appropriate reductions in carrying values as required. Fair values of these investments, when required, are estimated using unobservable inputs, primarily comparable company multiples and discounted cash flow projections.

As of March 31, 2017 and 2016, the Company's equity investments in non-majority owned companies totaled $200.1 million and $122.9 million, respectively. The equity in the earnings or losses of the Company's equity method investments was not material to the consolidated results of operations for any period presented and is included in interest and other, net.

During fiscal year 2017, the Company formed a joint venture with RIB Software AG, a provider of technology for the construction industry. This joint venture will offer a fully integrated enterprise software platform for building and housing projects. The Company contributed $60.0 million for a non-controlling interest in this joint venture. This contribution, net of the Company's equity in losses, which is immaterial, is included in other assets on the condensed consolidated balance sheet. The cash outflows to pay for this investment have been included in cash flows from other investing activities during the fiscal year ended March 31, 2017.

Other Current Liabilities

Other current liabilities include customer working capital advances of $231.3 million and $253.7 million, customer-related accruals of $501.9 million and $479.5 million, and deferred revenue of $280.7 million and

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

$332.3 million as of March 31, 2017 and 2016, respectively. The customer working capital advances are not interest bearing, do not have fixed repayment dates and are generally reduced as the underlying working capital is consumed in production.

As of March 31, 2016, other current liabilities also included the outstanding balances due to the third party banking institution related to the financed equipment discussed above of $122.0 million. As discussed above, during fiscal year 2017, the Company entered into an agreement with the third party banking institution and the customer granted a waiver of any amounts owed under the financing arrangement which provided for a net settlement of the outstanding balance of approximately $90.6 million with the related asset.

Restructuring Charges

The Company recognizes restructuring charges related to its plans to close or consolidate excess manufacturing facilities and rationalize administrative functions. In connection with these activities, the Company records restructuring charges for employee termination costs, long-lived asset impairment and other exit-related costs.

The recognition of restructuring charges requires the Company to make certain judgments and estimates regarding the nature, timing and amount of costs associated with the planned exit activity. To the extent the Company's actual results differ from its estimates and assumptions, the Company may be required to revise the estimates of future liabilities, requiring the recognition of additional restructuring charges or the reduction of liabilities already recognized. Such changes to previously estimated amounts may be material to the consolidated financial statements. At the end of each reporting period, the Company evaluates the remaining accrued balances to ensure that no excess accruals are retained and the utilization of the provisions are for their intended purpose in accordance with developed exit plans. See note 14 for additional information regarding restructuring charges.

Recently Adopted Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued new guidance intended to reduce the cost and complexity of the accounting for share-based payments. The new guidance simplifies various aspects of the accounting for share-based payments including income tax effects, withholding requirements and forfeitures. The Company elected to early adopt this new guidance beginning in the first quarter of fiscal year 2017. The guidance eliminates additional paid in capital ("APIC") pools and requires companies to recognize all excess tax benefits and tax deficiencies in the income statement when the awards vest or are settled. It also addresses the presentation of excess tax benefits and employee taxes paid on the statement of cash flows. Prior to adoption, the Company elected to not deduct tax benefits for stock-based compensation awards on its tax returns, and accordingly, did not have any excess tax benefits or tax deficiencies upon adoption. The Company therefore determined that adoption of the new guidance had no impact on the condensed consolidated statement of operations and the condensed consolidated statement of cash flows. Further, the new guidance eliminates the requirement to estimate forfeitures and reduce stock compensation expense during the vesting period. Instead, companies can elect to account for actual forfeitures as they occur and record any previously unrecognized compensation expense for estimated forfeitures up to the period of adoption as a retrospective adjustment to beginning retained earnings. The Company has made the election to account for actual forfeitures as they occur starting in fiscal year 2017. After assessment, it was determined that the cumulative effect adjustment required under the new guidance was immaterial and therefore the Company did not record a retrospective adjustment. The Company finally determined that the adoption of this guidance did not have a significant impact on the consolidated financial position, results of operations and cash flows of the Company.

Recently Issued Accounting Pronouncements

In January 2017, the FASB issued new guidance to simplify the subsequent measurement of goodwill by eliminating step 2 from the goodwill impairment test. This guidance requires that the change be applied on a prospective basis, and it is effective for the Company beginning in the first quarter of fiscal year 2021, with early

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

application permitted. The Company is currently assessing the impact of the new guidance and the timing of adoption.

In January 2017, the FASB issued new guidance that changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. This guidance requires that the amendments be applied on a prospective basis, and it is effective for the Company beginning in the first quarter of fiscal year 2019, with early application permitted. The guidance may result in more asset acquisitions being accounted for as purchases of assets in lieu of business combinations. The Company intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2019.

In October 2016, the FASB issued new guidance to amend the consolidation guidance on how a reporting entity that is the single decision maker of a variable interest entity ("VIE") should treat indirect interests in the entity held through related parties that are under common control with the reporting entity when determining whether it is the primary beneficiary of that VIE. This guidance requires that the amendments be applied on a retrospective or modified retrospective basis, and it is effective for the Company beginning in the first quarter of fiscal year 2018, with early adoption permitted. The Company expects the new guidance will have an immaterial impact on its consolidated financial statements, and it intends to adopt the guidance when it becomes effective in the first quarter of fiscal year 2018.

In August 2016, the FASB issued new guidance intended to address specific cash flow issues with the objective of reducing the existing diversity in practice. This guidance is effective for the Company beginning in the first quarter of fiscal year 2019, with early application permitted. The new guidance allows for two transition methods in application—(i) retrospective to each period presented, or (ii) if it is impracticable to apply the amendments retrospectively for some of the issues, then the amendments for those issues would be applied prospective as of the earliest date practicable. The Company expects an immaterial impact on its consolidated financial statements. The Company is currently assessing the timing of adoption.

In February 2016, the FASB issued new guidance intended to improve financial reporting on leasing transactions. The new lease guidance will require entities that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. The guidance will also enhance existing disclosure requirements relating to those leases. The Company will be required to adopt the new lease guidance beginning with the first quarter of fiscal year 2020 using a modified retrospective approach, with early adoption permitted. Upon initial evaluation, the Company believes the new guidance will have a material impact on its consolidated balance sheets when adopted. The Company is currently assessing the timing of adoption.

In July 2015, the FASB issued new guidance to simplify the measurement of inventory, by requiring that inventory be measured at the lower of cost and net realizable value. Prior to the issuance of the new guidance, inventory was measured at the lower of cost or market. This guidance is effective for the Company beginning in the first quarter of fiscal year 2018, and should be applied prospectively with early application permitted as of the beginning of an interim or annual reporting period. The Company is currently assessing the impact of this update and the timing of adoption.

In May 2014, the FASB issued new guidance which requires an entity to recognize revenue relating to contracts with customers that depicts the transfer of promised goods or services to customers in an amount reflecting the consideration to which the entity expects to be entitled in exchange for such goods or services. In order to meet this requirement, the entity must apply the following steps: (i) identify the contracts with the customers; (ii) identify performance obligations in the contracts; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations per the contracts; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. Additionally, disclosures required for revenue recognition will include qualitative and quantitative information about contracts with customers, significant judgments and changes in judgments, and assets recognized from costs to obtain or fulfill a contract. The guidance is effective for the Company beginning in the first quarter of fiscal year 2019. The Company has assessed that the impact of the new

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

guidance will result in a change of the Company's revenue recognition model for electronics manufacturing services from "point in time" upon physical delivery to an "over time" model and believes this transition will have a material impact on the Company's consolidated financial statements upon adoption primarily as it recognizes an increase in contract assets for unbilled receivables with a corresponding reduction in finished goods and work-in-progress inventory. The Company has commenced implementation in accordance with the planned effective date. The new guidance allows for two transition methods in application—(i) retrospective to each prior reporting period presented, or (ii) prospective with the cumulative effect of adoption recognized on April 1, 2018, the first day of the Company's fiscal year 2019. The Company has not yet concluded upon its selection of the transition method.

3. SHARE-BASED COMPENSATION

Equity Compensation Plans

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

During fiscal year 2016, in conjunction with the acquisition of NEXTracker, the Company assumed all of the outstanding, unvested share bonus awards and outstanding, unvested options to purchase shares of common stock of NEXTracker, and converted all these shares into Flex awards. As a result, the Company now offers the 2014 NEXTracker Equity Incentive Plan (the "NEXTracker Plan").

Additionally, during fiscal year 2017, in conjunction with an immaterial acquisition, the Company assumed all of the outstanding, unvested options to purchase shares of common stock of the acquiree, and converted all of these shares into Flex awards. As a result, the Company now offers an additional equity compensation plan, the BrightBox Technologies 2013 Plan (the "BrightBox Plan").

Further, during fiscal year 2017, the Company granted equity compensation awards under a fourth plan, the 2013 Elementum Plan (the "Elementum Plan"), which is administered by Elementum SCM (Cayman) Limited ("Elementum"), a majority owned subsidiary of the Company.

Share-Based Compensation Expense

The Company early adopted new guidance intended to reduce cost and complexity of the accounting for share-based payments, as discussed further in note 2.

The following table summarizes the Company's share-based compensation expense for all Equity Incentive Plans:

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Cost of sales	$10,023	$ 8,986	$ 7,503
Selling, general and administrative expenses	72,243	68,594	42,767
Total share-based compensation expense	$82,266	$77,580	$50,270

Cash flows resulting from excess tax benefits (tax benefits related to the excess of proceeds from employee exercises of share options over the share-based compensation cost recognized for those options) are classified as operating cash flows. During fiscal years 2017, 2016 and 2015, the Company did not recognize any excess tax benefits as an operating cash inflow.

The 2010 Equity Incentive Plan

As of March 31, 2017, the Company had approximately 18.1 million shares available for grant under the 2010 Plan. Options issued to employees under the 2010 Plan generally vest over four years and expire seven years from the date of grant. Options granted to non-employee directors expire five years from the date of grant.

3. SHARE-BASED COMPENSATION (Continued)

The exercise price of options granted to employees is determined by the Company's Board of Directors or the Compensation Committee and may not be less than the closing price of the Company's ordinary shares on the date of grant.

As of March 31, 2017, the total unrecognized compensation cost related to unvested share options granted to employees under the 2010 Plan was not significant and will be amortized on a straight-line basis over a weighted-average period of approximately 1.5 years.

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

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

As of March 31, 2017, the total unrecognized compensation cost related to unvested share bonus awards granted to employees was approximately $130.0 million under the 2010 Plan. These costs will be amortized generally on a straight-line basis over a weighted-average period of approximately 2.5 years. Approximately $14.4 million of the unrecognized compensation cost related to the 2010 Plan is related to share bonus awards granted to certain key employees whereby vesting is contingent on meeting a certain market condition.

Determining Fair Value—Options and share bonus awards

Valuation and Amortization Method—The Company estimates the fair value of share options granted under the 2010 Plan using the Black-Scholes valuation method and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. The fair market value of share bonus awards granted, other than those awards with a market condition, is the closing price of the Company's ordinary shares on the date of grant and is generally recognized as compensation expense on a straight-line basis over the respective vesting period.

Expected Term—The Company's expected term used in the Black-Scholes valuation method represents the period that the Company's share options are expected to be outstanding and is determined based on historical experience of similar awards, giving consideration to the contractual terms of the share options, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of its share options.

Expected Volatility—The Company's expected volatility used in the Black-Scholes valuation method is derived from a combination of implied volatility related to publicly traded options to purchase Flex ordinary shares and historical variability in the Company's periodic share price.

Expected Dividend—The Company has never paid dividends on its ordinary shares and accordingly the dividend yield percentage is zero for all periods.

Risk-Free Interest Rate—The Company bases the risk-free interest rate used in the Black-Scholes valuation method on the implied yield currently available on U.S. Treasury constant maturities issued with a term equivalent to the expected term of the option.

There were no options granted under the 2010 Plan during fiscal years 2017 and 2016. The fair value of the Company's share options granted to employees for fiscal year 2015 was estimated using the following weighted-average assumptions:

	Fiscal Year Ended March 31, 2015
Expected term	6.3 years
Expected volatility	46.9%
Expected dividends	0.0%
Risk-free interest rate	2.3%
Weighted-average fair value	$4.85

3. SHARE-BASED COMPENSATION (Continued)

Determining Fair Value—Share bonus awards with service and market conditions

Valuation and Amortization Method—The Company estimates the fair value of share bonus awards granted under the 2010 Plan whereby vesting is contingent on meeting certain market conditions using Monte Carlo simulation. This fair value is then amortized on a straight-line basis over the vesting period, which is the service period.

Expected volatility of Flex—Volatility used in a Monte Carlo simulation is derived from the historical volatility of Flex's stock price over a period equal to the service period of the share bonus awards granted. The service period is three years for those share bonus awards granted in fiscal years 2017, 2016 and 2015.

Average peer volatility—Volatility used in a Monte Carlo simulation is derived from the historical volatilities of both the Standard and Poor's ("S&P") 500 index and components of an extended Electronics Manufacturing Services ("EMS") group, comprised of global competitors of the Company within the same industry, for the share bonus awards granted in fiscal years 2017, 2016 and 2015.

Average Peer Correlation—Correlation coefficients were used to model the movement of Flex's stock price relative to both the S&P 500 index and peers in the extended EMS group for the share bonus awards granted in fiscal years 2017, 2016 and 2015.

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

The fair value of the Company's share-bonus awards under the 2010 Plan, whereby vesting is contingent on meeting certain market conditions, for fiscal years 2017, 2016 and 2015 was estimated using the following weighted-average assumptions:

	Fiscal Year Ended March 31,		
	2017	2016	2015
Expected volatility	25.8%	26.0%	29.4%
Average peer volatility	25.1%	23.0%	25.9%
Average peer correlation	0.6	0.6	0.6
Expected dividends	0.0%	0.0%	0.0%
Risk-free interest rate	0.9%	1.2%	0.9%

Share-Based Awards Activity

The following is a summary of option activity for the Company's 2010 Plan ("Price" reflects the weighted-average exercise price):

	Fiscal Year Ended March 31,					
	2017		2016		2015	
	Options	Price	Options	Price	Options	Price
Outstanding, beginning of fiscal year	2,369,636	$ 8.31	15,992,894	$ 7.81	23,612,872	$ 8.57
Granted	—	—	—	—	15,000	11.11
Exercised	(1,573,356)	6.89	(10,006,774)	6.10	(3,600,900)	6.53
Forfeited	(653,953)	12.39	(3,616,484)	12.23	(4,034,078)	13.17
Outstanding, end of fiscal year	142,327	$ 8.97	2,369,636	$ 8.31	15,992,894	$ 7.81
Options exercisable, end of fiscal year	138,950	$ 8.93	2,359,527	$ 8.30	15,959,173	$ 7.81

The aggregate intrinsic value of options exercised under the Company's 2010 Plan (calculated as the difference between the exercise price of the underlying award and the price of the Company's ordinary shares determined as of the time of option exercise for options exercised in-the-money) was $9.3 million, $55.3 million and $16.3 million during fiscal years 2017, 2016 and 2015, respectively.

3. SHARE-BASED COMPENSATION (Continued)

Cash received from option exercises under the 2010 Plan was $10.9 million, $61.1 million and $23.5 million for fiscal years 2017, 2016 and 2015, respectively.

The following table presents the composition of options outstanding and exercisable under the 2010 Plan as of March 31, 2017:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	Number of Shares Outstanding	Weighted Average Remaining Contractual Life (In Years)	Weighted Average Exercise Price	Number of Shares Exercisable	Weighted Average Remaining Contractual Life (In Years)	Weighted Average Exercise Price
$3.39 - $5.75	15,759	0.42	$ 5.03	15,759	0.42	$ 5.03
$5.87 - $7.07	11,003	1.43	6.63	11,003	1.43	6.63
$7.08 - $10.59	62,564	0.97	8.16	62,564	0.97	8.16
$10.67 - $11.41	45,501	1.14	11.16	42,124	0.91	11.16
$11.53 - $13.98	7,500	0.61	12.47	7,500	0.61	12.47
$3.39 - $13.98	142,327	0.99	$ 8.97	138,950	0.91	$ 8.93
Options vested and expected to vest	142,014	0.98	$ 8.97			

As of March 31, 2017 the aggregate intrinsic value for options outstanding, options vested and expected to vest, and options exercisable under the Company's 2010 Plan, was $1.2 million, respectively. The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's ordinary shares as of March 31, 2017 for the approximately 0.2 million options that were in-the-money at March 31, 2017.

The following table summarizes the Company's share bonus award activity under the 2010 Plan ("Price" reflects the weighted-average grant-date fair value):

	Fiscal Year Ended March 31,					
	2017		2016		2015	
	Shares	Price	Shares	Price	Shares	Price
Unvested share bonus awards outstanding, beginning of fiscal year	17,000,076	$10.77	18,993,252	$ 9.01	21,848,120	$ 7.32
Granted(1)	6,578,366	13.46	7,619,722	12.23	6,963,125	11.75
Vested(1)	(6,922,946)	9.44	(8,529,378)	7.93	(7,246,056)	6.97
Forfeited	(956,914)	11.20	(1,083,520)	9.67	(2,571,937)	7.70
Unvested share bonus awards outstanding, end of fiscal year	15,698,582	$12.44	17,000,076	$10.77	18,993,252	$ 9.01

(1) Excluded from the fiscal year 2017 amounts are 1.7 million of share bonus awards representing the number of awards achieved above target levels based on the achievement of certain market conditions, as further described in the table below. These awards were issued and immediately vested in accordance with the terms and conditions of the underlying awards.

Of the 6.6 million unvested share bonus awards granted under the 2010 Plan in fiscal year 2017, approximately 5.7 million unvested share bonus awards have an average grant date price of $13.09 per share. Further, approximately 0.2 million of these unvested share bonus awards have an average grant date price of $12.82 per share and represents the target amount of grants made to certain executive officers whereby vesting is contingent on meeting certain free cash flow targets. These awards cliff vest after three years and will ultimately pay out over a range from zero up to a maximum of 0.4 million of the target payment based on a measurement of cumulative three-year increase of free cash flow from operations of the Company.

3. SHARE-BASED COMPENSATION (Continued)

Further, 0.7 million of these unvested share bonus awards granted in fiscal year 2017 represents the target amount of grants made to certain key employees whereby vesting is contingent on certain market conditions. The average grant date fair value of these awards contingent on certain market conditions was estimated to be $17.57 per award and was calculated using a Monte Carlo simulation. Vesting information of these shares are further detailed in the table below.

Of the 15.7 million unvested share bonus awards outstanding under the 2010 Plan as of the fiscal year ended 2017, approximately 2.1 million of unvested share bonus awards under the 2010 Plan represents the target amount of grants made to certain key employees whereby vesting is contingent on meeting certain market conditions summarized as follows:

Year of grant	Targeted number of awards as of March 31, 2017 (in shares)	Average grant date fair value (per share)	Market condition	Range of shares that may be issued		Assessment dates
				Minimum	Maximum	
Fiscal 2017 . .	722,213	$17.57	Vesting ranges from zero to 200% based on measurement of Flex's total shareholder return against both the Standard and Poor's ("S&P") 500 Composite Index and an Extended Electronics Manufacturing Services ("EMS") Group Index.	—	1,444,426	May 2019
Fiscal 2016 . .	712,977	$14.96	Vesting ranges from zero to 200% based on measurement of Flex's total shareholder return against both the S&P 500 Composite Index and an EMS Group Index.	—	1,425,954	May 2018
Fiscal 2015 . .	686,520	$14.77	Vesting ranges from zero to 200% based on measurement of Flex's total shareholder return against both the S&P 500 Composite Index and an EMS Group Index.	—	1,373,040	May 2017
Totals	2,121,710				4,243,420	

The Company will recognize share-based compensation expense for awards with market conditions regardless of whether such awards will ultimately vest. During fiscal year 2017, 3.5 million shares vested in connection with the share bonus awards with market conditions granted in fiscal year 2014.

The total intrinsic value of share bonus awards vested under the Company's 2010 Plan was $109.5 million, $103.2 million and $79.0 million during fiscal years 2017, 2016 and 2015, respectively, based on the closing price of the Company's ordinary shares on the date vested.

The 2014 NEXTracker Equity Incentive Plan

All shares previously granted under the NEXTracker plan are the result of the Company's conversion of all outstanding, unvested shares of NEXTracker into unvested shares of the Company, as part of the acquisition. Therefore, no additional share options or share bonus awards were granted by the Company during fiscal year 2017.

Options issued to employees under the NEXTracker Plan generally have a vesting period of two to four years from vesting commencement date and expire ten years from the date of grant.

The exercise price of options granted to employees was determined by the Company based on a conversion rate agreed upon in the purchase agreement of NEXTracker.

As of March 31, 2017, the total unrecognized compensation cost related to unvested share options granted to employees under the NEXTracker Plan was $8.7 million and will be amortized on a straight-line basis over a weighted-average period of approximately 1.8 years.

3. SHARE-BASED COMPENSATION (Continued)

Share bonus awards issued to employees under the NEXTracker Plan vest in installments over a three to five-year period from vesting commencement date, and unvested share bonus awards are forfeited upon termination of employment. Vesting for certain of these share bonus awards is contingent on meeting certain performance targets over a three-year period commencing October 1, 2015.

As of March 31, 2017, the total unrecognized compensation cost related to unvested share bonus awards granted to employees under the NEXTracker Plan was approximately $11.0 million and will be amortized generally on a straight-line basis over a weighted-average period of approximately 1.5 years.

Determining Fair Value

As noted above, there were no options granted under the NEXTracker Plan during fiscal year 2017. The fair value of the Company's share options granted to employees under the NEXTracker Plan for fiscal year 2016 was estimated using the following weighted-average assumptions:

	Fiscal Year Ended March 31, 2016
Expected term	2.9 years
Expected volatility	28.8%
Expected dividends	0.0%
Risk-free interest rate	0.9%
Weighted-average fair value	$7.76

Share-Based Awards Activity

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

	Fiscal Year Ended March 31,			
	2017		2016	
	Options	Price	Options	Price
Outstanding, beginning of fiscal year	2,741,854	$3.44	—	$ —
Granted	—	—	3,205,806	3.28
Exercised	(709,845)	2.24	(237,380)	0.99
Forfeited	(395,993)	4.64	(226,572)	3.75
Outstanding, end of fiscal year	1,636,016	$3.61	2,741,854	$3.44
Options exercisable, end of fiscal year	369,015	$5.00	223,869	$4.95

The aggregate intrinsic value of options exercised under the NEXTracker plan (calculated as the difference between the exercise price of the underlying award and the price of the Company's ordinary shares determined as of the time of option exercise for options exercised in-the-money) was $8.0 million and $2.3 million as of March 31, 2017 and 2016, respectively.

Cash received from option exercises under the NEXTracker Plan was $1.6 million and $0.2 million for fiscal year 2017 and 2016, respectively.

3. SHARE-BASED COMPENSATION (Continued)

The following table presents the composition of options outstanding and exercisable under the NEXTracker Plan as of March 31, 2017:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	Number of Shares Outstanding	Weighted Average Remaining Contractual Life (In Years)	Weighted Average Exercise Price	Number of Shares Exercisable	Weighted Average Remaining Contractual Life (In Years)	Weighted Average Exercise Price
$0.08 - $5.24	1,223,059	8.50	$ 1.30	229,584	8.50	$ 1.70
$5.25 - $10.65	412,957	8.50	10.65	139,431	8.50	10.65
$0.08 - $10.65	1,636,016	8.50	$ 3.61	369,015	8.50	$ 5.00
Options vested and expected to vest	1,636,016	8.50	$ 3.61			

As of March 31, 2017 the aggregate intrinsic value for options outstanding, options vested and expected to vest, and options exercisable under the Company's NEXTracker Plan, were $22.2 million, $22.2 million, and $4.5 million, respectively. The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's ordinary shares as of March 31, 2017 for the approximately 1.6 million options under the NEXTracker Plan that were in-the-money at March 31, 2017.

The following table summarizes the Company's share bonus award activity under the NEXTracker Plan ("Price" reflects the weighted-average grant-date fair value):

	Fiscal Year Ended March 31,			
	2017		2016	
	Shares	Price	Shares	Price
Unvested share bonus awards outstanding, beginning of fiscal year	2,309,096	$10.27	—	$ —
Granted	—	—	2,393,195	10.27
Vested	(705,738)	10.19	(31,925)	10.27
Forfeited	(59,921)	10.27	(52,174)	10.27
Unvested share bonus awards outstanding, end of fiscal year	1,543,437	$10.23	2,309,096	$10.27

The total intrinsic value of share bonus awards vested under the Company's NEXTracker Plan was $9.6 million during fiscal year 2017, based on the closing price of the Company's ordinary shares on the date vested.

The BrightBox Technologies 2013 Plan

During fiscal year 2017, the Company granted 0.2 million share options under the BrightBox Plan, at an average grant date fair value price of $ 11.99 per share, and with a vesting period of three years from the vesting commencement date. All shares granted under the BrightBox plan are the result of the Company's conversion of all outstanding, unvested shares of BrightBox into unvested shares of the Company, as part of the acquisition. No additional grants will be made out of this plan in the future.

As of March 31, 2017, total unrecognized compensation expense related to share options under the BrightBox Plan is $ 1.4 million, and will be recognized over a weighted-average remaining vesting period of 2.1 years. As of March 31, 2017, the number of options outstanding was 0.2 million, at a weighted-average exercise price of $0.51 per share. No options under this plan were exercisable as of March 31, 2017.

The 2013 Equity Incentive Plan of Elementum SCM (Cayman) Ltd.

As of March 31, 2017 Elementum had approximately 0.1 million shares available for future grants under the 2013 Elementum Plan. Options to purchase shares in Elementum issued to employees under the Elementum Plan

3. SHARE-BASED COMPENSATION (Continued)

have a vesting period of two to four years and expire ten years from the grant date. As of March 31, 2017 there were 33.6 million of options outstanding at a weighted average exercise price of $0.39 per option. Cash received from option exercises under the Elementum Plan was $0.6 million for fiscal year 2017. Total unrecognized compensation expenses relating to stock options granted to certain employees under the Elementum Plan as of March 31, 2017 is $5.7 million, and will be recognized over a weighted average period of 2.6 years.

4. EARNINGS PER SHARE

Basic earnings per share excludes dilution and is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the applicable periods.

Diluted earnings per share reflects the potential dilution from stock options and share bonus awards. The potential dilution from stock options exercisable into ordinary share equivalents and share bonus awards was computed using the treasury stock method based on the average fair market value of the Company's ordinary shares for the period.

The following table reflects the basic weighted-average ordinary shares outstanding and diluted weighted-average ordinary share equivalents used to calculate basic and diluted income per share:

	Fiscal Year Ended March 31,		
	2017	2016	2015
	(In thousands, except per share amounts)		
Basic earnings per share:			
Net income	$319,564	$444,081	$600,801
Shares used in computation:			
Weighted-average ordinary shares outstanding	540,503	557,667	579,981
Basic earnings per share	$ 0.59	$ 0.80	$ 1.04
Diluted earnings per share:			
Net income	$319,564	$444,081	$600,801
Shares used in computation:			
Weighted-average ordinary shares outstanding	540,503	557,667	579,981
Weighted-average ordinary share equivalents from stock options and awards(1)	5,717	7,202	11,575
Weighted-average ordinary shares and ordinary share equivalents outstanding	546,220	564,869	591,556
Diluted earnings per share	$ 0.59	$ 0.79	$ 1.02

(1) Options to purchase ordinary shares of 0.5 million, 2.0 million and 6.2 million during fiscal years 2017, 2016 and 2015, respectively, and share bonus awards of less than 0.1 million during fiscal year 2017 and 2015, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive impact on the weighted average ordinary shares equivalents. There were no anti-dilutive share bonus awards in fiscal year 2016.

5. NONCONTROLLING INTERESTS

During fiscal year 2014, a previously wholly-owned subsidiary of the Company issued a noncontrolling equity interest to certain third party investors for an ownership interest of less than 20% of the outstanding shares in the subsidiary. During fiscal year 2017, this subsidiary received $9.3 million in exchange for an additional noncontrolling equity interest from certain third party investors. The outstanding shares held by the third party investors in this subsidiary remained below 20%. The Company continues to own a majority of the subsidiary's outstanding equity and controls its board of directors. Accordingly, the consolidated financial statements include the financial position and results of operations of this subsidiary as of March 31, 2017 and for the year then ended.

5. NONCONTROLLING INTERESTS (Continued)

The Company has recognized the carrying value of the noncontrolling interest as a component of total shareholders' equity. The noncontrolling interest in the operating losses of the subsidiary were $8.5 million, $6.7 million, and $4.3 million for fiscal years 2017, 2016 and 2015, respectively, and were classified as a component of interest and other, net, in the Company's consolidated statements of operations.

6. SUPPLEMENTAL CASH FLOW DISCLOSURES

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

	Fiscal Year Ended March 31,		
	2017	2016	2015
	(In thousands)		
Net cash paid for:			
Interest	$127,346	$114,578	$ 87,179
Income taxes	$ 86,651	$105,453	$ 70,621
Non-cash investing and financing activity:			
Unpaid purchases of property and equipment	$ 84,375	$ 93,310	$115,757
Customer-related third party banking institution equipment financing net settlement	$ 90,576	$ —	$ —

7. BANK BORROWINGS AND LONG-TERM DEBT

Bank borrowings and long-term debt are as follows:

	As of March 31,	
	2017	2016
	(In thousands)	
Term Loan, including current portion, due in installments through March 2019	$ 502,500	$ 547,500
4.625% Notes due February 2020	500,000	500,000
Term Loan, including current portion, due in installments through November 2021	700,000	577,500
5.000% Notes due February 2023	500,000	500,000
4.750% Notes due June 2025	595,979	595,589
Other credit lines	169,671	71,317
Debt issuance costs	(16,007)	(17,351)
	2,952,143	2,774,555
Current portion, net of debt issuance costs	(61,534)	(65,166)
Non-current portion	$2,890,609	$2,709,389

The weighted-average interest rates for the Company's long-term debt were 3.5% as of March 31, 2017 and 2016.

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

Fiscal Year Ending March 31,	Amount
	(In thousands)
2018	$ 63,887
2019	475,092
2020	517,592
2021	65,232
2022	746,420
Thereafter	1,099,927
Total	$2,968,150

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

Term Loan due November 2021

In August 2013, the Company entered into a $600 million term loan agreement due August 2018. In November 2016, the Company entered into a new arrangement to extend the maturity date of the agreement from August 30, 2018 to November 30, 2021, and borrowed an incremental amount of $130 million under this term loan, thereby increasing the total amount under the term loan to $700 million. This loan is repayable in quarterly installments of $4.1 million, which will commence October 31, 2017 and continue through September 30, 2021, with the remaining amount due at maturity.

Borrowings under this term loan bear interest, at the Company's option, either at (i) LIBOR plus the applicable margin for LIBOR loans ranging between 1.125% and 2.125%, based on the Company's credit ratings or (ii) the base rate (the greatest of the prime rate in effect on each day as published in The Wall Street Journal, the federal funds rate plus 0.5% and LIBOR for a one-month interest period plus 1.00%) plus an applicable margin ranging between 0.125% and 1.125%, based on the Company's credit rating.

This term loan is unsecured, and contains customary restrictions on the Company's and its subsidiaries' ability to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of exceptions and limitations. This term loan agreement also requires that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio, as defined therein, during its term; provided that the requirement to maintain the minimum interest coverage ratio may be suspended in certain circumstances. As of March 31, 2017, the Company was in compliance with the covenants under this term loan agreement.

Term Loan Agreement due March 2019 and Revolving Line of Credit

As of March 31, 2017, the Company has a $2.1 billion credit facility ("Credit Facility") consisting of a $1.5 billion revolving credit facility and a $600.0 million term loan, which is due to expire in March 2019. Quarterly repayments of principal under this term loan are $11.3 million with the remainder due upon maturity.

Borrowings under this facility bear interest, at the Company's option, either at (i) LIBOR plus the applicable margin for LIBOR loans ranging between 1.125% and 2.125%, based on the Company's credit ratings or (ii) the base rate (the greatest of the agent's prime rate, the federal funds rate plus 0.50% and LIBOR for a one-month interest period plus 1.00%) plus an applicable margin ranging between 0.125% and 1.125%, based on the Company's credit rating. The Company is required to pay a quarterly commitment fee ranging between 0.15% and 0.40% per annum on the daily unused amount of the $1.5 billion Revolving Credit Facility based on the Company's credit rating.

This Credit Facility is unsecured, and contains customary restrictions on the Company's and its subsidiaries' ability to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of exceptions and limitations. This Credit Facility also requires that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio, as defined therein, during its term. As of March 31, 2017, the Company was in compliance with the covenants under this loan agreement.

Notes due February 2020 and February 2023

In February 2013, the Company issued $500.0 million of 4.625% Notes due February 15, 2020 and $500.0 million of 5.000% Notes due February 15, 2023 (collectively the "Notes") in a private offering pursuant to Rule 144A and Regulation S under the Securities Act. In July 2013, the Company exchanged these notes for new notes with substantially similar terms and completed the registration of these notes with the Securities and

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

Exchange Commission. The Company received net proceeds of approximately $990.6 million from the issuance and used those proceeds, together with $9.4 million of cash on hand, to repay $1.0 billion of outstanding borrowings under its previous term loan that was due October 2014.

Interest on the Notes is payable semi-annually, which commenced on August 15, 2013. The Notes are senior unsecured obligations of the Company, rank equally with all of the Company's other existing and future senior and unsecured debt obligations, and are guaranteed, jointly and severally, fully and unconditionally on an unsecured basis, by each of the Company's 100% owned subsidiaries that guarantees indebtedness under, or is a borrower under, the Company's Credit Facility or the Company's Term Loan due 2018.

At any time prior to maturity, the Company may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus an applicable premium accrued and unpaid interest, if any, to the applicable redemption date. Upon the occurrence of a change of control repurchase event (as defined in the Notes indenture), the Company must offer to repurchase the Notes at a repurchase price equal to 101% of the principal amount of the Notes repurchased, plus accrued and unpaid interest, if any, to the applicable repurchase date.

The indenture governing the Notes contains covenants that, among other things, restrict the ability of the Company and certain of the Company's subsidiaries to create liens; enter into sale-leaseback transactions; create, incur, issue, assume or guarantee any funded debt; and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to, another person. These covenants are subject to a number of significant limitations and exceptions set forth in the indenture. The indenture also provides for customary events of default, including, but not limited to, cross defaults to certain specified other debt of the Company and its subsidiaries. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding Notes will become due and payable immediately without further action or notice. If any other event of default under the indenture occurs or is continuing, the applicable trustee or holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all of the Notes to be due and payable immediately. As of March 31, 2017, the Company was in compliance with the covenants in the indenture governing the Notes.

Notes due June 2025

In June 2015, the Company issued $600 million of 4.750% Notes ("2025 Notes") due June 15, 2025 in a private offering pursuant to Rule 144A and Regulation S under the Securities Act, at 99.213% of face value, and an effective yield of approximately 4.850%. The Company received net proceeds of approximately $595.3 million from the issuance which was used for general corporate purposes. During January 2016, the Company exchanged these notes for new notes with substantially similar terms and completed the registration of these notes with the Securities and Exchange Commission.

The Company incurred approximately $7.9 million of costs in conjunction with the issuance of the 2025 Notes. The issuance costs were capitalized and presented on the balance sheet as a direct deduction from the carrying amount of the Notes.

Interest on the 2025 Notes is payable semi-annually, commencing on December 15, 2015. The 2025 Notes are senior unsecured obligations of the Company, rank equally with all of the Company's other existing and future senior and unsecured debt obligations, and are guaranteed, jointly and severally, fully and unconditionally on an unsecured basis, by each of the Company's 100% owned subsidiaries that guarantees indebtedness under, or is a borrower under, the Company's Term Loan Agreement and Revolving Line of Credit.

At any time prior to March 15, 2025, the Company may redeem some or all of the 2025 Notes at a redemption price equal to 100% of the principal amount of the 2025 Notes redeemed, plus an applicable premium and accrued and unpaid interest, if any, to the applicable redemption date. Upon the occurrence of a change of control repurchase event (as defined in the 2025 Notes indenture), the Company must offer to repurchase the 2025 Notes at a repurchase price equal to 101% of the principal amount of the 2025 Notes repurchased, plus accrued and unpaid interest, if any, to the applicable repurchase date.

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

The indenture governing the 2025 Notes contains covenants that, among other things, restrict the ability of the Company and certain of the Company's subsidiaries to create liens; enter into sale-leaseback transactions; create, incur, issue, assume or guarantee any funded debt; and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to, another person, or permit any other person to consolidate, merge, combine or amalgamate with or into the Company. These covenants are subject to a number of significant limitations and exceptions set forth in the indenture. The indenture also provides for customary events of default, including, but not limited to, cross defaults to certain specified other debt of the Company and its subsidiaries. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding 2025 Notes will become due and payable immediately without further action or notice. If any other event of default under the agreement occurs or is continuing, the applicable trustee or holders of at least 25% in aggregate principal amount of the then outstanding 2025 Notes may declare all of the 2025 Notes to be due and payable immediately, but upon certain conditions such declaration and its consequences may be rescinded and annulled by the holders of a majority in principal amount of the 2025 Notes. As of March 31, 2017, the Company was in compliance with the covenants in the indenture governing the 2025 Notes.

Other Credit Lines

In January 2017, the Company borrowed €100 million (approximately $107.4 million as of March 31, 2017), under a 5-year, term-loan agreement due January 2, 2022. Borrowings under this term loan bear interest at EURIBOR plus the applicable margin ranging between 0.40% and 1.35%, based on the Company's credit ratings. The loan is repayable upon maturity.

In October 2015, the Company borrowed €50 million (approximately $53.7 million as of March 31, 2017), under a 5-year, term-loan agreement due September 30, 2020. Borrowings under this term loan bear interest at EURIBOR plus the applicable margin ranging between 0.80% and 2.00%, based on the Company's credit ratings. The loan is repayable beginning December 30, 2016 in quarterly payments of €312,500 through June 30, 2020 with the remainder due upon maturity.

These term loans are unsecured, and are guaranteed by the Company. These term loan agreements contain customary restrictions on the Company's and its subsidiaries' ability to (i) incur certain debt, (ii) make certain investments, (iii) make certain acquisitions of other entities, (iv) incur liens, (v) dispose of assets, (vi) make non-cash distributions to shareholders, and (vii) engage in transactions with affiliates. These covenants are subject to a number of exceptions and limitations. These term loan agreements also require that the Company maintain a maximum ratio of total indebtedness to EBITDA (earnings before interest expense, taxes, depreciation and amortization), and a minimum interest coverage ratio, as defined therein, during their terms. As of March 31, 2017, the Company was in compliance with the covenants under these term loan agreements.

As of March 31, 2017, the Company and certain of its subsidiaries had various uncommitted revolving credit facilities, lines of credit and other credit facilities in the amount of $162.6 million in the aggregate. There were no borrowings outstanding under these facilities as of March 31, 2017 and 2016. These unsecured credit facilities, and lines of credit and other credit facilities bear annual interest at the respective country's inter-bank offering rate, plus an applicable margin, and generally have maturities that expire on various dates in future fiscal years.

8. FINANCIAL INSTRUMENTS

Foreign Currency Contracts

The Company transacts business in various foreign countries and is therefore, exposed to foreign currency exchange rate risk inherent in forecasted sales, cost of sales, and monetary assets and liabilities denominated in non-functional currencies. The Company has established risk management programs to protect against volatility in the value of non-functional currency denominated monetary assets and liabilities, and of future cash flows caused by changes in foreign currency exchange rates. The Company tries to maintain a partial or fully hedged

8. FINANCIAL INSTRUMENTS (Continued)

position for certain transaction exposures, which are primarily, but not limited to, revenues, customer and vendor payments and inter-company balances in currencies other than the functional currency unit of the operating entity. The Company enters into short-term foreign currency forward and swap contracts to hedge only those currency exposures associated with certain assets and liabilities, primarily accounts receivable and accounts payable, and cash flows denominated in non-functional currencies. Gains and losses on the Company's forward and swap 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 forward and swap contracts is minimized since the contracts are with large financial institutions and accordingly, fair value adjustments related to the credit risk of the counterparty financial institution were not material.

As of March 31, 2017, the aggregate notional amount of the Company's outstanding foreign currency forward and swap contracts was $4.1 billion as summarized below:

	Foreign Currency Amount		Notional Contract Value in USD	
Currency	Buy	Sell	Buy	Sell
		(In thousands)		
Cash Flow Hedges				
CNY	1,309,000	—	$ 189,974	$ —
EUR	27,830	64,132	29,915	71,796
HUF	13,800,000	—	47,935	—
ILS	70,481	—	19,438	—
INR	1,389,587	—	20,300	—
MXN	2,133,500	—	113,198	—
MYR	167,000	11,300	37,791	2,557
RON	114,780	—	27,083	—
Other	N/A	N/A	32,735	8,915
			518,369	83,268
Other Forward/Swap Contracts				
BRL	—	543,000	—	174,078
CHF	9,446	33,920	9,472	34,015
CNY	1,877,296	—	271,571	—
DKK	179,400	157,200	25,917	22,710
EUR	909,291	1,058,540	976,028	1,136,862
GBP	36,129	65,154	44,835	80,808
HUF	18,026,924	15,105,152	62,617	52,468
ILS	105,100	91,660	28,985	25,279
INR	5,200,000	19,528	80,160	300
MXN	2,166,702	686,447	114,930	36,421
MYR	331,628	44,500	75,046	10,070
PLN	118,139	62,613	30,044	15,923
RON	73,252	61,526	17,284	14,517
SEK	159,766	190,198	17,929	21,402
SGD	42,147	3,019	30,206	2,164
Other	N/A	N/A	30,361	39,390
			1,815,385	1,666,407
Total Notional Contract Value in USD			$2,333,754	$1,749,675

8. FINANCIAL INSTRUMENTS (Continued)

As of March 31, 2017 and 2016, the fair value of the Company's short-term foreign currency contracts was included in other current assets or other current liabilities, as applicable, in the consolidated balance sheets. Certain of these contracts are designed to economically hedge the Company's exposure to monetary assets and liabilities denominated in non-functional currencies and are not accounted for as hedges under the accounting standards. Accordingly, changes in fair value of these instruments are recognized in earnings during the period of change as a component of interest and other, net in the consolidated statements of operations. As of March 31, 2017 and 2016, the Company also has included net deferred gains and losses, in accumulated other comprehensive loss, a component of shareholders' equity in the consolidated balance sheets, relating to changes in fair value of its foreign currency contracts that are accounted for as cash flow hedges. Deferred gains totaled $10.6 million as of March 31, 2017, and are expected to be recognized primarily as a component of cost of sales in the consolidated statement of operations over the next twelve-month period. The gains and losses recognized in earnings due to hedge ineffectiveness were not material for all fiscal years presented and are included as a component of interest and other, net in the consolidated statements of operations.

The following table presents the fair value of the Company's derivative instruments utilized for foreign currency risk management purposes at March 31, 2017 and 2016:

	Fair Values of Derivative Instruments					
	Asset Derivatives			Liability Derivatives		
		Fair Value			Fair Value	
	Balance Sheet Location	March 31, 2017	March 31, 2016	Balance Sheet Location	March 31, 2017	March 31, 2016
	(In thousands)					
Derivatives designated as hedging instruments						
Foreign currency contracts	Other current assets	$11,936	$ 5,510	Other current liabilities	$1,814	$ 2,446
Derivatives not designated as hedging instruments						
Foreign currency contracts	Other current assets	$10,086	$17,138	Other current liabilities	$9,928	$18,645

The Company has financial instruments subject to master netting arrangements, which provides for the net settlement of all contracts with the counterparty upon maturity. The Company does not offset fair value amounts for assets and liabilities recognized for derivative instruments under these arrangements, and as such, the asset and liability balances presented in the table above reflect the gross amounts of derivatives in the consolidated balance sheets. The impact of netting derivative assets and liabilities is not material to the Company's financial position for any of the periods presented.

9. ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in accumulated other comprehensive loss by component, net of tax, during fiscal years ended March 31, 2017, 2016 and 2015 are as follows:

	Fiscal Year Ended March 31, 2017		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)		
Beginning balance	$(41,522)	$(94,393)	$(135,915)
Other comprehensive gain (loss) before reclassifications	6,925	(1,198)	5,727
Net (gains) losses reclassified from accumulated other comprehensive loss	2,171	(126)	2,045
Net current-period other comprehensive (gain) loss	9,096	(1,324)	7,772
Ending balance	$(32,426)	$(95,717)	$(128,143)

9. ACCUMULATED OTHER COMPREHENSIVE LOSS (Continued)

	Fiscal Year Ended March 31, 2016		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)		
Beginning balance	$(68,266)	$(112,239)	$(180,505)
Other comprehensive loss before reclassifications	(2,199)	(3,145)	(5,344)
Net losses reclassified from accumulated other comprehensive loss	28,943	20,991	49,934
Net current-period other comprehensive gain	26,744	17,846	44,590
Ending balance	$(41,522)	$ (94,393)	$(135,915)

	Fiscal Year Ended March 31, 2015		
	Unrealized loss on derivative instruments and other	Foreign currency translation adjustments	Total
	(In thousands)		
Beginning balance	$(32,849)	$ (93,307)	$(126,156)
Other comprehensive loss before reclassifications	(76,470)	(9,318)	(85,788)
Net (gains) losses reclassified from accumulated other comprehensive loss	41,053	(9,614)	31,439
Net current-period other comprehensive loss	(35,417)	(18,932)	(54,349)
Ending balance	$(68,266)	$(112,239)	$(180,505)

Net (gains) losses reclassified from accumulated other comprehensive loss were immaterial during fiscal year 2017.

During fiscal year 2016, the Company recognized a loss of $26.8 million in connection with the disposition of a non-strategic Western European manufacturing facility, which included a $25.3 million cumulative foreign currency translation loss. This loss was offset by the release of certain cumulative foreign currency translation gains of $4.2 million, which has been reclassified from accumulated other comprehensive loss during the period and is included in other charges (income), net in consolidated statement of operations.

During fiscal year 2015, the Company recognized a loss of $11.0 million in connection with the disposition of a manufacturing facility in Western Europe. This loss includes the settlement of unrealized losses of $4.2 million on an insignificant defined benefit plan associated with the disposed facility offset by the release of cumulative foreign currency translation gains of $9.3 million, both of which have been reclassified from accumulated other comprehensive loss during the period. The loss on sale is included in other charges (income), net in the consolidated statement of operations.

10. TRADE RECEIVABLES SECURITIZATION

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

Asset-Backed Securitization Programs

The Company continuously sells designated pools of trade receivables under its Global Asset-Backed Securitization Agreement (the "Global Program") and its North American Asset-Backed Securitization Agreement (the "North American Program," collectively, the "ABS Programs") to affiliated special purpose entities, each of which in turn sells 100% of the receivables to unaffiliated financial institutions. These programs allow the operating subsidiaries to receive a cash payment and a deferred purchase price receivable for sold receivables. Following the transfer of the receivables to the special purpose entities, the transferred receivables are

10. TRADE RECEIVABLES SECURITIZATION (Continued)

isolated from the Company and its affiliates, and upon the sale of the receivables from the special purpose entities to the unaffiliated financial institutions effective control of the transferred receivables is passed to the unaffiliated financial institutions, which has the right to pledge or sell the receivables. Although the special purpose entities are consolidated by the Company, they are separate corporate entities and their assets are available first to satisfy the claims of their creditors. The investment limits set by the financial institutions are $850.0 million for the Global Program, of which $750.0 million is committed and $100.0 million is uncommitted, and $250.0 million for the North American Program, of which $210.0 million is committed and $40.0 million is uncommitted. Both programs require a minimum level of deferred purchase price receivable to be retained by the Company in connection with the sales.

The Company services, administers and collects the receivables on behalf of the special purpose entities and receives a servicing fee of 0.1% to 0.5% of serviced receivables per annum. Servicing fees recognized during the fiscal years ended March 31, 2017, 2016 and 2015 were not material and are included in interest and other, net within the consolidated statements of operations. As the Company estimates the fee it receives in return for its obligation to service these receivables is at fair value, no servicing assets or liabilities are recognized.

As of March 31, 2017 and 2016, the accounts receivable balances that were sold under the ABS Programs were removed from the consolidated balance sheets and the net cash proceeds received by the Company during fiscal years ended March 31, 2017, 2016 and 2015 were included as cash provided by operating activities in the consolidated statements of cash flows.

As of March 31, 2017, approximately $1.5 billion of accounts receivable had been sold to the special purpose entities under the ABS Programs for which the Company had received net cash proceeds of $1.0 billion and deferred purchase price receivables of $506.5 million. As of March 31, 2016, approximately $1.4 billion of accounts receivable had been sold to the special purpose entities for which the Company had received net cash proceeds of $880.8 million and deferred purchase price receivables of $501.1 million. The portion of the purchase price for the receivables which is not paid by the unaffiliated financial institutions in cash is a deferred purchase price receivable, which is paid to the special purpose entity as payments on the receivables are collected from account debtors. The deferred purchase price receivable represents a beneficial interest in the transferred financial assets and is recognized at fair value as part of the sale transaction. The deferred purchase price receivables are included in other current assets as of March 31, 2017 and 2016, and were carried at the expected recovery amount of the related receivables. The difference between the carrying amount of the receivables sold under these programs and the sum of the cash and fair value of the deferred purchase price receivables received at time of transfer is recognized as a loss on sale of the related receivables and recorded in interest and other, net in the consolidated statements of operations. Refer to note 16 for more details.

For the fiscal years ended March 31, 2017, 2016 and 2015, cash flows from sales of receivables under the ABS Programs consisted of approximately $5.7 billion, $5.2 billion and $4.3 billion, respectively, for transfers of receivables (of which approximately $0.4 billion for both fiscal years 2017 and 2016, and $0.3 billion for fiscal year 2015, represented new transfers and the remainder proceeds from collections reinvested in revolving period transfers).

The following table summarizes the activity in the deferred purchase price receivables account during the fiscal years ended March 31, 2017 and 2016:

	As of March 31,	
	2017	2016
	(In thousands)	
Beginning balance	$ 501,097	$ 600,672
Transfers of receivables	3,254,849	3,475,400
Collections	(3,249,424)	(3,574,975)
Ending balance	$ 506,522	$ 501,097

10. TRADE RECEIVABLES SECURITIZATION (Continued)

Trade Accounts Receivable Sale Programs

The Company also sold accounts receivables to certain third-party banking institutions. The outstanding balance of receivables sold and not yet collected was approximately $225.2 million and $339.4 million as of March 31, 2017 and 2016, respectively. For the years ended March 31, 2017, 2016 and 2015, total accounts receivables sold to certain third party banking institutions was approximately $1.3 billion, $2.3 billion and $4.2 billion, respectively. The receivables that were sold were removed from the consolidated balance sheets and were reflected as cash provided by operating activities in the consolidated statements of cash flows.

11. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

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

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

The Company has deferred compensation plans for its officers and certain other employees. Amounts deferred under the plans are invested in hypothetical investments selected by the participant or the participant's investment manager. The Company's deferred compensation plan assets are included in other noncurrent assets on the consolidated balance sheets and include investments in equity securities that are valued using active market prices.

Level 2—Applies to assets or liabilities for which there are inputs other than quoted prices included within level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets) such as cash and cash equivalents and money market funds; or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

The Company values foreign exchange forward contracts using level 2 observable inputs which primarily consist of an income approach based on the present value of the forward rate less the contract rate multiplied by the notional amount.

The Company's cash equivalents are comprised of bank deposits and money market funds, which are valued using level 2 inputs, such as interest rates and maturity periods. Due to their short-term nature, their carrying amount approximates fair value.

The Company's deferred compensation plan assets also include money market funds, mutual funds, corporate and government bonds and certain convertible securities that are valued using prices obtained from various pricing sources. These sources price these investments using certain market indices and the performance of these investments in relation to these indices. As a result, the Company has classified these investments as level 2 in the fair value hierarchy.

Level 3—Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company has accrued for contingent consideration in connection with its business acquisitions as applicable, which is measured at fair value based on certain internal models and unobservable inputs.

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

During fiscal year 2016, the Company accrued $84.3 million of contingent consideration, of which $81.0 million related to the acquisition of NEXTracker on the date of acquisition. The Company reduced the accrual by $19.0 million for a contractual release from the obligation executed subsequent to the acquisition during fiscal year 2016. Upon achievement of targets established in the NEXTracker purchase agreement, the Company paid $40.6 million of the total contingent consideration during fiscal year 2017. This payment is included in other financing activities, net, in the condensed consolidated statements of cash flows.

The fair value of the liability was estimated using a simulation-based measurement technique with significant inputs that are not observable in the market and thus represents a level 3 fair value measurement. The significant inputs in the fair value measurement not supported by market activity included the Company's probability assessments of expected future revenue during the earn-out period and associated volatility, appropriately discounted considering the uncertainties associated with the obligation, and calculated in accordance with the terms of the merger agreement. Significant decreases in expected revenue during the earn-out period, or significant increases in the discount rate or volatility in isolation would result in lower fair value estimates. The interrelationship between these inputs is not considered significant.

The following table summarizes the activities related to contingent consideration:

	As of March 31,	
	2017	2016
	(In thousands)	
Beginning balance	$ 73,423	$ 4,500
Additions to accrual	—	84,261
Payments and settlements	(44,912)	(19,008)
Fair value adjustments	(6,085)	3,670
Ending balance	$ 22,426	$ 73,423

The Company values deferred purchase price receivables relating to its Asset-Backed Securitization Program based on a discounted cash flow analysis using unobservable inputs (i.e. level 3 inputs), which are primarily risk free interest rates adjusted for the credit quality of the underlying creditor. Due to its high credit quality and short term maturity, their fair value approximates carrying value. Significant increases in either of the significant unobservable inputs (credit spread or risk free interest rate) in isolation would result in lower fair value estimates, however the impact is insignificant. The interrelationship between these inputs is also insignificant. Refer to note 10 for a reconciliation of the change in the deferred purchase price receivable.

There were no transfers between levels in the fair value hierarchy during fiscal years 2017 and 2016.

Financial Instruments Measured at Fair Value on a Recurring Basis

The following table presents the Company's assets and liabilities measured at fair value on a recurring basis as of March 31, 2017 and 2016:

	Fair Value Measurements as of March 31, 2017			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (Note 2)	$ —	$1,066,841	$ —	$1,066,841
Deferred purchase price receivable (Note 10)	—	—	506,522	506,522
Foreign exchange forward contracts (Note 8)	—	22,022	—	22,022
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	7,062	52,680	—	59,742
Liabilities:				
Foreign exchange forward contracts (Note 8)	$ —	$ (11,742)	$ —	$ (11,742)
Contingent consideration in connection with acquisitions	—	—	(22,426)	(22,426)

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

	Fair Value Measurements as of March 31, 2016			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Money market funds and time deposits (Note 2)	$ —	$1,074,132	$ —	$1,074,132
Deferred purchase price receivable (Note 10)	—	—	501,097	501,097
Foreign exchange forward contracts (Note 8)	—	22,648	—	22,648
Deferred compensation plan assets:				
Mutual funds, money market accounts and equity securities	9,228	40,556	—	49,784
Liabilities:				
Foreign exchange forward contracts (Note 8)	$ —	$ (21,091)	$ —	$ (21,091)
Contingent consideration in connection with acquisitions	—	—	(73,423)	(73,423)

Other financial instruments

The following table presents the Company's liabilities not carried at fair value as of March 31, 2017 and 2016:

	As of March 31, 2017		As of March 31, 2016		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Hierarchy
	(In thousands)		(In thousands)		
Term Loan, including current portion, due in installments through March 2019	$ 502,500	$ 503,756	$ 547,500	$ 542,709	Level 1
4.625% Notes due February 2020	500,000	526,255	500,000	524,735	Level 1
Term Loan, including current portion, due in installments through November 2021	700,000	699,566	577,500	573,533	Level 1
5.000% Notes due February 2023	500,000	534,820	500,000	507,500	Level 1
4.750% Notes due June 2025	595,979	633,114	595,589	604,926	Level 1
Total	$2,798,479	$2,897,511	$2,720,589	$2,753,403	

All Term Loans and Notes presented in the table above are valued based on broker trading prices in active markets.

The Company values its outstanding €100 million and €49.4 million (approximately $107.4 million and $53.0 million as of March 31, 2017), 5-year, unsecured, term-loans due January 2, 2022 and September 30, 2020, respectively, based on the current market rate, and as of March 31, 2017, the carrying amounts for each loan approximate fair value.

12. COMMITMENTS AND CONTINGENCIES

Commitments

Capital lease obligations of $19.1 million and $25.0 million, consisting of short-term obligations of $4.7 million and $6.6 million and long term obligations of $14.4 million and $18.4 million are included in current and non-current liabilities on the Company's balance sheets as of March 31, 2017 and 2016, respectively.

As of March 31, 2017 and 2016, the gross carrying amount and associated accumulated depreciation of the Company's property and equipment financed under capital leases, and the related obligations was not material.

12. COMMITMENTS AND CONTINGENCIES (Continued)

The Company also leases certain of its facilities and equipment under non-cancelable operating leases. These operating leases expire in various years through 2035 and require the following minimum lease payments:

Fiscal Year Ending March 31,	Operating Lease
	(In thousands)
2018	$117,217
2019	92,542
2020	74,895
2021	51,493
2022	43,032
Thereafter	173,969
Total minimum lease payments	$553,148

Total rent expense amounted to $124.7 million, $124.2 million and $133.1 million in fiscal years 2017, 2016 and 2015, respectively.

Litigation and other legal matters

As discussed in note 2, on April 21, 2016, SunEdison, Inc. filed for protection under Chapter 11 of the U.S. Bankruptcy Code, no preference claims have been asserted against the Company and consideration has been given to the related contingencies based on the facts currently known to the Company. The Company is unable to reasonably estimate a loss or any range of possible loss. Further, the Company believes that it continues to have a number of affirmative and direct defenses to any potential claims for recovery and intends to vigorously defend any such claim, if asserted. An unfavorable resolution of this matter could be material to the Company's results of operations, financial condition, or cash flows.

One of the Company's Brazilian subsidiaries has received related assessments for certain sales and import taxes. The first two tax assessments were received in fiscal year 2014 and fiscal year 2016 relating to calendar year 2010 for an alleged total amount of 109 million Brazilian reals (approximately USD $35 million based on the exchange rate as of March 31, 2017). These two assessments are in various stages of the review process at the administrative level. During the third quarter of fiscal year 2017, the same Brazilian subsidiary received a third assessment related to calendar year 2011 taxes of an additional 181 million Brazilian reals (approximately USD $58 million based on the exchange rate as of March 31, 2017). The Company plans to continue to vigorously oppose all of these assessments, as well as any future assessments. The Company believes there is no legal basis for the alleged liabilities; however, due to the complexities and uncertainty surrounding the administrative review and judicial processes in Brazil and the nature of the claims, an adverse determination is reasonably possible. Due to the same considerations, it is not possible to estimate a loss or range of loss for these assessments or any future assessments that are reasonably possible. The Company does not expect final judicial determination on any of these claims for several years.

During fiscal year 2015, one of the Company's non-operating Brazilian subsidiaries received an assessment of approximately USD $100 million related to income and social contribution taxes, interest and penalties. During the first quarter of fiscal year 2017, the Company received a final favorable judgment in the judicial process reversing the assessment and the case is now closed. As the Company had previously determined there was no legal basis for the assessment, no adjustment was required to be recorded during fiscal year 2017.

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

13. INCOME TAXES

The domestic (Singapore) and foreign components of income before income taxes were comprised of the following:

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Domestic	$435,709	$199,283	$ 67,482
Foreign	(64,861)	255,392	603,173
Total	$370,848	$454,675	$670,655

The provision for income taxes consisted of the following:

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Current:			
Domestic	$ 1,037	$ 56	$ 87
Foreign	71,773	74,706	129,863
	72,810	74,762	129,950
Deferred:			
Domestic	350	3,779	(4,734)
Foreign	(21,876)	(67,947)	(55,362)
	(21,526)	(64,168)	(60,096)
Provision for income taxes	$ 51,284	$ 10,594	$ 69,854

The domestic statutory income tax rate was approximately 17.0% in fiscal years 2017, 2016 and 2015. The reconciliation of the income tax expense expected based on domestic statutory income tax rates to the expense for income taxes included in the consolidated statements of operations is as follows:

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Income taxes based on domestic statutory rates	$ 63,044	$ 77,295	$114,011
Effect of tax rate differential	(85,132)	(62,072)	(75,699)
Change in liability for uncertain tax positions	684	(13,724)	29,729
Change in valuation allowance	78,728	1,049	2,495
Other	(6,040)	8,046	(682)
Provision for income taxes	$ 51,284	$ 10,594	$ 69,854

A number of countries in which the Company is located allow for tax holidays or provide other tax incentives to attract and retain business. In general, these holidays were secured based on the nature, size and location of the Company's operations. The aggregate dollar effect on the Company's income resulting from tax holidays and tax incentives to attract and retain business for the fiscal years ended March 31, 2017, 2016 and 2015 was $15.5 million, $6.6 million and $9.8 million, respectively. For fiscal year ended March 31, 2017, the effect on basic and diluted earnings per share was $0.03 and $0.03, respectively, and the effect on basic and diluted earnings per share were $0.01 and $0.01 during fiscal year 2016, and $0.02 and $0.02 during fiscal year 2015, respectively. Unless extended or otherwise renegotiated, the Company's existing holidays will expire in the fiscal year ending March 31, 2018 through fiscal year 2022.

For fiscal years ended March 31, 2017, 2016 and 2015, the Company released valuation allowances totaling $39.6 million, $63.3 million and $55.0 million, respectively. For the fiscal year ended March 31, 2017, these

13. INCOME TAXES (Continued)

valuation allowance releases were primarily related to our operations in Austria, China, Ireland and Canada that were deemed to be more likely than not to realize the respective deferred tax assets due to sustained profitability during the prior three fiscal years as well as continued forecasted profitability of those subsidiaries. However, these valuation allowance eliminations were offset by other current period valuation allowance movements primarily related to current period valuation allowance additions due to increased deferred tax assets related to current period losses in legal entities with existing full valuation allowance positions. In addition, due to increased negative evidence during the fiscal year ended March 31, 2017, the Company added a valuation allowance of $14.4 million for a Chinese subsidiary which did not previously have a valuation allowance recorded. For fiscal years ended March 31, 2017, 2016 and 2015, the offsetting amounts totaled $103.9 million, $64.3 million and $57.5 million, respectively.

Under its territorial tax system, Singapore generally does not tax foreign sourced income until repatriated to Singapore. The Company has included the effects of Singapore's territorial tax system in the rate differential line above. The tax effect of foreign income not repatriated to Singapore for the fiscal years 2017, 2016 and 2015 were $67.9 million, $36.6 million and $0.0 million, respectively.

The components of deferred income taxes are as follows:

	As of March 31,	
	2017	2016
	(In thousands)	
Deferred tax liabilities:		
Fixed assets	$ (40,324)	$ (74,316)
Intangible assets	(76,432)	(88,760)
Others	(20,702)	(29,472)
Total deferred tax liabilities	(137,458)	(192,548)
Deferred tax assets:		
Fixed assets	57,869	65,004
Intangible assets	3,153	3,795
Deferred compensation	19,335	15,892
Inventory valuation	8,489	10,124
Provision for doubtful accounts	2,911	1,300
Net operating loss and other carryforwards	2,369,405	2,332,894
Others	266,367	271,272
	2,727,529	2,700,281
Valuation allowances	(2,442,105)	(2,385,489)
Net deferred tax assets	285,424	314,792
Net deferred tax asset	$ 147,966	$ 122,244
The net deferred tax asset is classified as follows:		
Current asset (classified as other current assets)	$ —	$ —
Long-term asset	223,285	222,772
Long-term liability	(75,319)	(100,528)
Total	$ 147,966	$ 122,244

Utilization of the Company's deferred tax assets is limited by the future earnings of the Company in the tax jurisdictions in which such deferred assets arose. As a result, management is uncertain as to when or whether these operations will generate sufficient profit to realize any benefit from the deferred tax assets. The valuation allowance provides a reserve against deferred tax assets that are not more likely than not to be realized by the Company. However, management has determined that it is more likely than not that the Company will realize certain of these benefits and, accordingly, has recognized a deferred tax asset from these benefits. The change in

13. INCOME TAXES (Continued)

valuation allowance is net of certain increases and decreases to prior year losses and other carryforwards that have no current impact on the tax provision.

The Company has recorded deferred tax assets of approximately $2.4 billion related to tax losses and other carryforwards against which the Company has recorded a valuation allowance for all but $128.5 million of the deferred tax assets. These tax losses and other carryforwards will expire at various dates as follows:

	Expiration dates of deferred tax assets related to operating losses and other carryforwards
	(In thousands)
2018 - 2023	$ 682,705
2024 - 2029	925,092
2030 and post	378,047
Indefinite	404,763
	$2,390,607

The amount of deferred tax assets considered realizable, however, could be reduced or increased in the near-term if facts, including the amount of taxable income or the mix of taxable income between subsidiaries, differ from management's estimates.

The Company does not provide for income taxes on approximately $1.2 billion of undistributed earnings of its subsidiaries which are considered to be indefinitely reinvested outside of Singapore as management has plans for the use of such earnings to fund certain activities outside of Singapore. Determination of the amount of the unrecognized deferred tax liability on these undistributed earnings is not practicable. As of March 31, 2017, we have provided for applicable foreign withholding taxes on $70.6 million of undistributed foreign earnings related to certain Chinese subsidiaries whose earnings are not intended to be permanently reinvested, and recorded an associate deferred tax liability of approximately $7.1 million.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Fiscal Year Ended March 31,	
	2017	2016
	(In thousands)	
Balance, beginning of fiscal year	$212,326	$222,373
Additions based on tax position related to the current year	29,007	21,273
Additions for tax positions of prior years	9,728	20,453
Reductions for tax positions of prior years	(22,065)	(9,578)
Reductions related to lapse of applicable statute of limitations	(13,390)	(22,312)
Settlements	(3,684)	(12,797)
Impact from foreign exchange rates fluctuation	(8,599)	(7,086)
Balance, end of fiscal year	$203,323	$212,326

The Company's unrecognized tax benefits are subject to change over the next twelve months primarily as a result of the expiration of certain statutes of limitations and as audits are settled. The Company believes it is reasonably possible that the total amount of unrecognized tax benefits could decrease by an estimated range of an additional $9 million to $12 million within the next twelve months primarily due to potential settlements of various audits and the expiration of certain statutes of limitations.

The Company and its subsidiaries file federal, state, and local income tax returns in multiple jurisdictions around world. With few exceptions, the Company is no longer subject to income tax examinations by tax authorities for years before 2007.

13. INCOME TAXES (Continued)

Of the $203.3 million of unrecognized tax benefits at March 31, 2017, $185.4 million will affect the annual effective tax rate ("ETR") if the benefits are eventually recognized. The amount that doesn't impact the ETR relates to positions that would be settled with a tax loss carryforward previously subject to a valuation allowance.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits within the Company's tax expense. During the fiscal years ended March 31, 2017, 2016 and 2015, the Company recognized interest and penalties of approximately ($1.6) million and ($2.4) million and $2.5 million, respectively. The Company had approximately $12.9 million, $14.6 million and $17.0 million accrued for the payment of interest and penalties as of the fiscal years ended March 31, 2017, 2016 and 2015, respectively.

14. RESTRUCTURING CHARGES

During fiscal year 2017, the Company initiated a restructuring plan to accelerate its ability to support more *Sketch-to-Scale*tm efforts across the Company and reposition away from historical legacy programs and structures through rationalizing its current footprint at existing sites and at corporate SG&A functions. There were no material restructuring activities during fiscal years 2016 and 2015. Restructuring charges are recorded based upon employee termination dates, site closure and consolidation plans generally in conjunction with an overall corporate initiative to drive cost reduction and realign the Company's global footprint.

During the fiscal year ended March 31, 2017, the Company recognized restructuring charges of approximately $49.4 million primarily for employee termination costs under the above plan. Of these total charges, approximately $38.8 million was recognized in cost of sales. Employee severance costs were associated with the terminations of 4,311 identified employees. The identified employee terminations by reportable geographic region amounted to approximately 2,229, 1,988 and 94 for Asia, the Americas and Europe, respectively. All fiscal year 2017 restructuring activities were completed as of March 31, 2017.

The components of the restructuring charges by geographic region incurred in fiscal year 2017 are as follows:

	Second Quarter	Third Quarter	Fourth Quarter	Total
		(In thousands)		
Americas:				
Severance	$10,822	$ 6,263	$ 7,623	$24,708
Contractual obligations	—	489	3,353	3,842
Total	10,822	6,752	10,976	28,550
Asia:				
Severance	263	9,701	5,110	15,074
Contractual obligations	—	—	—	—
Total	263	9,701	5,110	15,074
Europe:				
Severance	454	968	1,049	2,471
Contractual obligations	—	—	3,300	3,300
Total	454	968	4,349	5,771
Total				
Severance	11,539	16,932	13,782	42,253
Contractual obligations	—	489	6,653	7,142
Total restructuring charges	$11,539	$17,421	$20,435	$49,395

14. RESTRUCTURING CHARGES (Continued)

Of the $49.4 million total restructuring charges incurred in fiscal year 2017, $15.2 million was associated with CEC, $8.1 million was associated with CTG, $5.4 million was associated with IEI, $16.1 million was associated with HRS, and the remaining $4.6 million was associated with general corporate activities. Restructuring charges are not included in segment income, as disclosed further in note 19.

The following table summarizes the provisions, respective payments, and remaining accrued balance as of March 31, 2017 for charges incurred in fiscal years 2017, 2016 and 2015 and prior periods:

	Severance	Other Exit Costs	Total
Balance as of March 31, 2014	$ 36,493	$ 5,903	$ 42,396
Cash payments for charges incurred in fiscal year 2014 and prior	(23,130)	(4,209)	(27,339)
Balance as of March 31, 2015	13,363	1,694	15,057
Cash payments for charges incurred in fiscal year 2014 and prior	(1,458)	(359)	(1,817)
Balance as of March 31, 2016	11,905	1,335	13,240
Provision for charges incurred in fiscal year 2017	42,253	7,142	49,395
Cash payments for charges incurred in fiscal year 2017	(25,894)	—	(25,894)
Cash payments for charges incurred in fiscal year 2014 and prior	(11,905)	(1,335)	(13,240)
Balance as of March 31, 2017	16,359	7,142	23,501
Less: Current portion (classified as other current liabilities)	16,359	7,142	23,501
Accrued restructuring costs, net of current portion (classified as other liabilities)	$ —	$ —	$ —

15. OTHER CHARGES (INCOME), NET

The fiscal year ended March 31, 2017 includes a $7.4 million loss attributable to a non-strategic facility sold during the second quarter of fiscal year 2017. No other components of other charges and income, net incurred during fiscal year 2017 were material.

During fiscal year 2016, the Company incurred net losses of $47.7 million primarily due to $26.8 million loss on disposition of a non-strategic Western European manufacturing facility, which included a non-cash foreign currency translation loss of $25.3 million, and $21.8 million from the impairment of a non-core investment. These were offset by currency translation gains of $4.2 million.

During fiscal year 2015, an amendment to a customer contract to reimburse a customer for certain performance provisions was executed which included the removal of a $55.0 million contractual obligation recognized during fiscal year 2014. Accordingly, the Company reversed this charge with a corresponding credit to other charges (income), net in the consolidated statement of operations. Additionally, during fiscal year 2015, the Company recognized a loss of $11.0 million in connection with the disposition of a manufacturing facility in Western Europe. The Company received $11.5 million in cash for the sale of $27.2 million in net assets of the facility. The loss also includes $4.6 million of estimated transaction costs, partially offset by a gain of $9.3 million for the release of cumulative foreign currency translation gains triggered by the disposition.

16. INTEREST AND OTHER, NET

For the fiscal years ended March 31, 2017, 2016 and 2015, the Company recognized interest income of $12.1 million, $12.3 million and $18.7 million.

For the fiscal years ended March 31, 2017, 2016 and 2015, the Company recognized interest expense of $108.0 million, $98.0 million and $76.4 million, respectively, on its debt obligations outstanding during the period.

16. INTEREST AND OTHER, NET (Continued)

For the fiscal years ended March 31, 2017, 2016 and 2015, the Company recognized gains on foreign exchange transactions of $16.5 million, $24.4 million and $19.7 million, respectively.

For the fiscal years ended March 31, 2017, 2016 and 2015, the Company recognized $15.3 million, $11.0 million and $9.9 million of expense related to its ABS and AR Sales Programs.

17. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES

Business Acquisitions

The business and asset acquisitions described below were accounted for using the purchase method of accounting, and accordingly, the fair value of the net assets acquired and the results of the acquired businesses were included in the Company's consolidated financial statements from the acquisition dates forward. The Company has not finalized the allocation of the consideration for certain of its recently completed acquisitions and completes these allocations in less than one year of the respective acquisition dates.

Fiscal year 2017 business acquisitions and divestitures

Acquisitions

During the fiscal year ended March 31, 2017, the Company completed four acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operations and cash flows of the Company. Most notable is the Company's acquisition of two manufacturing and development facilities from Bose Corporation ("Bose"), a global leader in audio systems. The acquisition expanded the Company's capabilities in the audio market and is included in the CTG segment. The other acquired businesses strengthen the Company's capabilities in the communications market and energy market within the CEC and IEI segment, respectively. At the acquisition dates, the Company paid a total of $189.1 million, net of cash acquired, of which $161.7 million, net of $18.0 million of cash acquired is related to the Bose acquisition which is included in cash from investing activities in the consolidated statements of cash flows. The Company acquired primarily $73.1 million of inventory, $60.8 million of property and equipment, and recorded goodwill of $63.8 million and intangible assets of $47.4 million substantially related to Bose. The intangibles will amortize over a weighted-average estimated useful life of 6.5 years. In connection with these acquisitions, the Company assumed $63.3 million in other liabilities including additional consideration of $28.0 million which was paid in the fourth quarter of fiscal year 2017 and included in other financing activities in the consolidated statements of cash flows. Further, the equity incentive plan of one of the acquirees was assumed as part of the acquisition.

The results of operations for each of the acquisitions completed in fiscal year 2017, including the Bose acquisition, were included in the Company's consolidated financial results beginning on the date of each acquisition, and the total amount of net income and revenue of the acquisitions, collectively, were immaterial to the Company's consolidated financial results for the fiscal year ended March 31, 2017. Pro-forma results of operations for the acquisitions completed in fiscal year 2017 have not been presented because the effects, individually and in the aggregate, were not material to the Company's consolidated financial results for all periods presented.

In April 2017, the Company completed the acquisition of AGM Automotive for approximately $220 million, which expanded its capabilities in the automotive market, and is included within the HRS segment. The initial purchase price allocation for this acquisition is not yet complete.

Divestitures

During the fiscal year ended March 31, 2017, the Company disposed of two non-strategic businesses within the HRS and IEI segments. The Company received $30.7 million of proceeds, net of an immaterial amount of cash held in one of the divested businesses. The property and equipment and various other assets sold, and liabilities transferred were not material to the Company's consolidated financial results. The loss on disposition was not material to the Company's consolidated financial results, and is included in other charges, net in the condensed consolidated statements of operations for the fiscal year.

17. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES (Continued)

Fiscal year 2016 business acquisitions

Acquisition of Mirror Controls International

In June 2015, the Company completed its acquisition of 100% of the outstanding share capital of MCi, and paid approximately $555.2 million, net of $27.7 million of cash acquired. This acquisition expanded the Company's capabilities in the automotive market, and was included in the HRS segment. The allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed was based on their estimated fair values as of the date of acquisition. The excess of the purchase price over the tangible and identifiable intangible assets acquired and liabilities assumed has been allocated to goodwill.

The following represents the Company's allocation of the total purchase price to the acquired assets and liabilities of MCi (in thousands):

Current assets:	
Accounts receivable	$ 41,559
Inventories	19,897
Other current assets	2,856
Total current assets	64,312
Property and equipment, net	38,832
Other assets	2,463
Intangibles	236,800
Goodwill	323,357
Total assets	$665,764
Current liabilities:	
Accounts payable	$ 28,002
Accrued liabilities & other current liabilities	21,113
Total current liabilities	49,115
Other liabilities	61,492
Total aggregate purchase price	$555,157

The intangible assets of $236.8 million is comprised of customer relationships of $75.5 million and licenses and other intangible assets of $161.3 million. Customer relationships and licenses and other intangibles are each amortized over a weighted-average estimated useful life of 10 years. In addition to net working capital, the Company acquired $38.8 million of machinery and equipment and assumed $61.5 million of other liabilities primarily comprised of deferred tax liabilities. The Company incurred $6.6 million in acquisition-related costs related to the acquisition of MCi during fiscal year 2016.

Acquisition of a facility from Alcatel-Lucent

In July 2015, the Company acquired an optical transport facility from Alcatel-Lucent for approximately $67.5 million, which expanded its capabilities in the telecom market and was included in the CEC segment. The Company acquired primarily $55.1 million of inventory, $10.0 million of property and equipment primarily comprised of a building and land, and recorded goodwill and intangible assets for a customer relationship of $3.6 million and $2.1 million, respectively, and assumed $3.3 million in other net liabilities in connection with this acquisition. The customer relationship intangible will amortize over a weighted-average estimated useful life of 5 years.

Acquisition of Nextracker

In September 2015, the Company acquired 100% of the outstanding share capital of NEXTracker, a provider of smart solar tracking solutions. The initial cash consideration was approximately $240.8 million, net of $13.2 million of cash acquired, with an additional $81.0 million of estimated potential contingent consideration, for a total purchase consideration of $321.8 million. At the date of the acquisition, the maximum

17. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES (Continued)

possible consideration under the agreement was $97.2 million upon achievement of future revenue performance targets. The Company also acquired NEXTracker's equity incentive plan. The financial results of NEXTracker were included in the IEI segment. The allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed was based on their estimated fair values as of the date of acquisition. The excess of the purchase price over the tangible and identifiable intangible assets acquired and liabilities assumed has been allocated to goodwill.

The following represents the Company's preliminary allocation of the total purchase price to the acquired assets and liabilities of NEXTracker (in thousands):

Current assets:	
Accounts receivable	$ 60,298
Inventories	3,235
Other current assets	19,272
Total current assets	82,805
Property and equipment, net	1,382
Other assets	70
Intangibles	108,700
Goodwill	255,601
Total assets	$448,558
Current liabilities:	
Accounts payable	$ 17,226
Other current liabilities	63,870
Total current liabilities	81,096
Other liabilities	45,712
Total aggregate purchase price	$321,750

The intangible assets of $108.7 million is comprised of customer-related intangibles of $47.3 million and licenses and other intangible assets of $61.4 million. Customer-related intangibles are amortized over a weighted-average estimated useful life of 4 years while licenses and other intangibles are amortized over a weighted-average estimated useful life of 6 years.

Other business acquisitions

Additionally, during fiscal year 2016, the Company completed eight acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operations and cash flows of the Company. Four of the acquired businesses expanded the Company's capabilities in the medical devices market, particularly precision plastics and molding within the HRS segment, two of them strengthened capabilities in the consumer electronics market within the CTG segment, one strengthened the capabilities in the communications market within the CEC segment, and the last one strengthened capabilities in the household industrial and lifestyle market within the IEI segment. The Company paid $53.3 million, net of $3.7 million of cash held by the targets. The Company acquired $14.4 million of property and equipment, assumed liabilities of $17.7 million and recorded goodwill and intangibles of $57.4 million. These intangibles will amortize over a weighted-average estimated useful life of 4 years.

The results of operations for all of the acquisitions completed in fiscal year 2016 were included in the Company's consolidated financial results beginning on the date of each acquisition. The total amount of net income for all of the acquisitions completed in fiscal year 2016, collectively, was $41.4 million. The total amount of revenue of these acquisitions, collectively, was not material to the Company's consolidated financial results for the fiscal year 2016.

On a pro-forma basis, and assuming the fiscal year 2016 acquisitions occurred on the first day of the prior period, or April 1, 2014, the Company's net income would have been estimated to be $410.1 million and $586.4 million for the fiscal years 2016 and 2015, respectively. The estimated pro-forma net income for both

17. BUSINESS AND ASSET ACQUISITIONS & DIVESTITURES (Continued)

years does not include the $43.0 million tax benefit for the release of the valuation allowance on deferred tax assets primarily relating to the NEXTracker acquisition, recognized in fiscal year 2016, to promote comparability. Pro-forma revenue for the acquisitions in fiscal years 2016 and 2015 have not been presented because the effect, collectively, was not material to the Company's consolidated revenues for fiscal years 2016 and 2015.

Fiscal year 2015 business acquisitions

During the fiscal year 2015, the Company completed four acquisitions that were not individually, nor in the aggregate, significant to the consolidated financial position, results of operations and cash flows of the Company. All of the acquired businesses expanded the Company's capabilities in the medical devices market, particularly precision plastics, within the HRS segment. The Company paid $52.7 million net of $5.9 million of cash held by the acquired businesses, and recorded an accrual of $4.5 million for contingent consideration relating to one of the acquisitions. The Company primarily acquired $29.4 million of current assets, $9.0 million of property and equipment, recorded goodwill of $35.8 million and intangibles of $16.1 million, and assumed certain liabilities relating to payables and debt in connection with these acquisitions. The results of operations were included in the Company's consolidated financial results beginning on the date of these acquisitions. Pro-forma results of operations for these acquisitions have not been presented because the effects of the acquisitions were immaterial to the Company's consolidated financial results for all periods presented. The Company also paid $7.5 million as a deposit to acquire a certain business that closed in fiscal year 2016 and that strengthened capabilities in the household industrial market within the IEI segment. This deposit was included in other assets during fiscal year 2015.

The Company continues to evaluate certain assets and liabilities related to business combinations completed during recent periods. Additional information, which existed as of the acquisition date, may become known to the Company during the remainder of the measurement period, a period not to exceed 12 months from the acquisition date. Changes to amounts recorded as assets or liabilities, as a result of such additional information, may result in a corresponding adjustment to goodwill.

18. SHARE REPURCHASE PLAN

During fiscal year 2017, the Company repurchased approximately 25.1 million shares for an aggregate purchase value of approximately $345.8 million under two separate repurchase plans as further discussed below.

During the first and second quarters of fiscal year 2017, the Company repurchased the entire remaining amount under a share repurchase plan that was approved by the Company's Board of Directors on August 20, 2015 and the Company's shareholders at the 2015 Extraordinary General Meeting. The Company repurchased approximately 10.4 million shares for an aggregate purchase value of approximately $131.1 million, and retired all of these shares.

Under the Company's current share repurchase program, the Board of Directors authorized repurchases of its outstanding ordinary shares for up to $500 million in accordance with the share repurchase mandate approved by the Company's shareholders at the date of the most recent Annual General Meeting held on August 24, 2016. During fiscal year 2017, the Company repurchased approximately 14.7 million shares for an aggregate purchase value of approximately $214.7 million under this plan, and retired all of these shares. As of March 31, 2017, shares in the aggregate amount of $285.3 million were available to be repurchased under the current plan.

19. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), or a decision making group, in deciding how to allocate resources and in assessing performance. Resource allocation decisions and the Company's performance are assessed by its Chief Executive Officer ("CEO"), with support from his direct staff who oversee certain operations of the business, collectively identified as the CODM or the decision making group.

19. SEGMENT REPORTING (Continued)

The Company has four reportable segments: HRS, CTG, IEI, and CEC. These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the CODM. These segments are determined based on several factors, including the nature of products and services, the nature of production processes, customer base, delivery channels and similar economic characteristics. Refer to note 1 to the financial statements for a description of the various product categories manufactured under each of these segments.

An operating segment's performance is evaluated based on its pre-tax operating contribution, or segment income. Segment income is defined as net sales less cost of sales, and segment selling, general and administrative expenses, and does not include amortization of intangibles, stock-based compensation, restructuring charges and other, distressed customer charges, other charges (income), net and interest and other, net.

Selected financial information by segment is as follows:

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Net sales:			
Communications & Enterprise Compute	$ 8,383,420	$ 8,841,642	$ 9,191,211
Consumer Technologies Group	6,362,338	6,997,526	8,940,043
Industrial & Emerging Industries	4,967,738	4,680,718	4,459,351
High Reliability Solutions	4,149,438	3,898,999	3,557,311
	$23,862,934	$24,418,885	$26,147,916
Segment income and reconciliation of income before tax:			
Communications & Enterprise Compute	$ 229,332	$ 265,076	$ 257,323
Consumer Technologies Group	179,910	163,677	218,251
Industrial & Emerging Industries	179,749	157,588	131,956
High Reliability Solutions	334,108	294,635	227,595
Corporate and Other	(107,850)	(89,219)	(83,988)
Total income	815,249	791,757	751,137
Reconciling items:			
Intangible amortization	81,396	65,965	32,035
Stock-based compensation	82,266	77,580	50,270
SunEdison bankruptcy related (Note 2)	92,915	61,006	—
Restructuring and other(1)	67,099	—	—
Other charges (income), net	21,193	47,738	(53,233)
Interest and other, net	99,532	84,793	51,410
Income before income taxes	$ 370,848	$ 454,675	$ 670,655

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

(1) During the fiscal year ended March 31, 2017, the Company initiated a restructuring plan to accelerate its ability to support more *Sketch-to-Scale*tm efforts across the Company and reposition away from historical legacy programs and structures through rationalizing its current footprint at existing sites and at corporate SG&A functions. This charge is primarily for employee terminations costs, as described in note 14, as well as other asset impairments, and is split between cost of sales and selling, general and administration expenses on the Company's consolidated statement of operations. This charge is excluded from the measurement of the Company's operating segment's performance.

19. SEGMENT REPORTING (Continued)

Property and equipment on a segment basis is not disclosed as it is not separately identified and is not internally reported by segment to the Company's CODM. During fiscal year 2017, 2016 and 2015, depreciation expense included in the segment's measure of operating performance above is as follows:

	Fiscal Year Ended March 31,		
	2017	2016	2015
		(In thousands)	
Depreciation expense			
Communications & Enterprise Compute	$133,057	$117,710	$130,311
Consumer Technologies Group	110,379	123,139	203,808
Industrial & Emerging Industries	70,814	72,415	64,541
High Reliability Solutions	88,604	80,935	62,831
Corporate and Other	29,384	31,530	35,334
Total depreciation expense	$432,238	$425,729	$496,825

Geographic information is as follows:

	Fiscal Year Ended March 31,					
	2017		2016		2015	
			(In thousands)			
Net sales:						
Asia	$10,962,075	46%	$11,788,992	48%	$12,953,004	50%
Americas	8,582,849	36%	8,347,514	34%	8,897,868	34%
Europe	4,318,010	18%	4,282,379	18%	4,297,044	16%
	$23,862,934		$24,418,885		$26,147,916	

Revenues are attributable to the country in which the product is manufactured or service is provided.

During fiscal years 2017, 2016 and 2015, net sales generated from Singapore, the principal country of domicile, were approximately $595.3 million, $519.1 million and $553.4 million, respectively.

During fiscal year 2017, China, Mexico, the United States and Malaysia accounted for approximately 30%, 17%, 11% and 10% of consolidated net sales, respectively. No other country accounted for more than 10% of net sales in fiscal year 2017.

During fiscal year 2016, China, Mexico, and the United States accounted for approximately 35%, 15%, and 11% of consolidated net sales, respectively. No other country accounted for more than 10% of net sales in fiscal year 2016.

During fiscal year 2015, China, Mexico, and the United States accounted for approximately 37%, 13% and 11% of consolidated net sales, respectively. No other country accounted for more than 10% of net sales in fiscal year 2015.

	As of March 31,			
	2017		2016	
		(In thousands)		
Property and equipment, net:				
Asia	$ 960,290	41%	$1,013,317	45%
Americas	939,888	41%	886,305	39%
Europe	416,848	18%	358,011	16%
	$2,317,026		$2,257,633	

As of March 31, 2017 and 2016, property and equipment, net held in Singapore were approximately $13.2 million and $13.4 million, respectively.

19. SEGMENT REPORTING (Continued)

As of March 31, 2017, China, Mexico and the United States accounted for approximately 31%, 23% and 13%, respectively, of property and equipment, net. No other country accounted for more than 10% of property and equipment, net as of March 31, 2017.

As of March 31, 2016, China, Mexico and the United States accounted for approximately 35%, 19% and 15%, respectively, of property and equipment, net. No other country accounted for more than 10% of property and equipment, net as of March 31, 2016.

20. SUPPLEMENTAL GUARANTOR AND NON-GUARANTOR CONSOLIDATED FINANCIAL STATEMENTS

Flex Ltd. ("Parent") has three tranches of Notes of $500 million, $500 million and $600 million, respectively, each outstanding, which mature on February 15, 2020, February 15, 2023 and June 15, 2025, respectively. These notes are senior unsecured obligations, and are guaranteed, fully and unconditionally, jointly and severally, on an unsecured basis, by certain of the Company's 100% owned subsidiaries (the "guarantor subsidiaries"). These subsidiary guarantees will terminate upon 1) a sale or other disposition of the guarantor or the sale or disposition of all or substantially all the assets of the guarantor (other than to the Parent or a subsidiary); 2) such guarantor ceasing to be a guarantor or a borrower under the Company's Term Loan Agreement and the Revolving Line of Credit; 3) defeasance or discharge of the Notes, as provided in the Notes indenture; or 4) if at any time the Notes are rated investment grade, provided that each rating agency confirms that the Notes will continue to be rated investment grade after the Note Guaranties are terminated.

In lieu of providing separate financial statements for the guarantor subsidiaries, the Company has included the accompanying condensed consolidating financial statements, which are presented using the equity method of accounting. The principal elimination entries relate to investment in subsidiaries and intercompany balances and transactions, including transactions with the Company's non-guarantor subsidiaries.

Condensed Consolidating Balance Sheets as of March 31, 2017

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ 561,555	$ 169,083	$ 1,100,037	$ —	$ 1,830,675
Accounts receivable	—	875,842	1,316,862	—	2,192,704
Inventories	—	1,523,578	1,872,884	—	3,396,462
Inter company receivable	10,951,993	7,527,058	14,575,412	(33,054,463)	—
Other current assets	683	181,602	785,650	—	967,935
Total current assets	11,514,231	10,277,163	19,650,845	(33,054,463)	8,387,776
Property and equipment, net	—	601,918	1,715,108	—	2,317,026
Goodwill and other intangible assets, net	1,214	119,255	1,226,579	—	1,347,048
Other assets	2,218,599	228,343	2,041,373	(3,946,802)	541,513
Investment in subsidiaries	3,071,296	3,543,990	16,029,346	(22,644,632)	—
Total assets	$16,805,340	$14,770,669	$40,663,251	$(59,645,897)	$12,593,363
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Bank borrowings and current portion of long-term debt	$ 56,177	$ 977	$ 4,380	$ —	$ 61,534
Accounts payable	—	1,758,660	2,726,248	—	4,484,908
Accrued payroll	—	101,206	243,039	—	344,245
Inter company payable	11,282,477	9,882,088	11,889,898	(33,054,463)	—
Other current liabilities	23,851	776,280	813,809	—	1,613,940
Total current liabilities	11,362,505	12,519,211	15,677,374	(33,054,463)	6,504,627
Long term liabilities	2,798,302	2,156,994	2,401,966	(3,946,802)	3,410,460
Flex Ltd. shareholders' equity	2,644,533	94,464	22,550,168	(22,644,632)	2,644,533
Noncontrolling interests	—	—	33,743	—	33,743
Total shareholders' equity	2,644,533	94,464	22,583,911	(22,644,632)	2,678,276
Total liabilities and shareholders' equity	$16,805,340	$14,770,669	$40,663,251	$(59,645,897)	$12,593,363

20. SUPPLEMENTAL GUARANTOR AND NON-GUARANTOR CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Condensed Consolidating Balance Sheets as of March 31, 2016

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
ASSETS					
Current assets:					
Cash and cash equivalents	$ 734,869	$ 148,201	$ 724,500	$ —	$ 1,607,570
Accounts receivable	—	729,331	1,315,426	—	2,044,757
Inventories	—	1,482,410	2,009,246	—	3,491,656
Inter company receivable	9,105,728	5,568,392	12,404,722	(27,078,842)	—
Other current assets	2,951	180,842	987,350	—	1,171,143
Total current assets	9,843,548	8,109,176	17,441,244	(27,078,842)	8,315,126
Property and equipment, net	—	553,072	1,704,561	—	2,257,633
Goodwill and other intangible assets, net	175	60,895	1,284,750	—	1,345,820
Other assets	2,249,145	267,034	2,004,437	(4,054,214)	466,402
Investment in subsidiaries	2,815,426	2,987,909	18,175,348	(23,978,683)	—
Total assets	$14,908,294	$11,978,086	$40,610,340	$(55,111,739)	$12,384,981
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Bank borrowings and current portion of long-term debt	$ 58,836	$ 946	$ 5,384	$ —	$ 65,166
Accounts payable	—	1,401,835	2,846,457	—	4,248,292
Accrued payroll	—	114,509	239,038	—	353,547
Inter company payable	9,562,405	7,999,335	9,517,102	(27,078,842)	—
Other current liabilities	33,008	869,470	1,002,722	—	1,905,200
Total current liabilities	9,654,249	10,386,095	13,610,703	(27,078,842)	6,572,205
Long term liabilities	2,683,173	2,063,988	2,514,299	(4,054,214)	3,207,246
Flex Ltd. shareholders' equity	2,570,872	(471,997)	24,450,680	(23,978,683)	2,570,872
Noncontrolling interests	—	—	34,658	—	34,658
Total shareholders' equity	2,570,872	(471,997)	24,485,338	(23,978,683)	2,605,530
Total liabilities and shareholders' equity	$14,908,294	$11,978,086	$40,610,340	$(55,111,739)	$12,384,981

Condensed Consolidating Statements of Operations for Fiscal Year Ended March 31, 2017

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net sales	$ —	$15,909,037	$17,841,003	$(9,887,106)	$23,862,934
Cost of sales	—	14,375,249	17,815,088	(9,887,106)	22,303,231
Restructuring charges	—	16,908	21,850	—	38,758
Gross profit	—	1,516,880	4,065	—	1,520,945
Selling, general and administrative expenses	—	282,821	654,518	—	937,339
Intangible amortization	175	5,967	75,254	—	81,396
Restructuring charges	—	8,716	1,921	—	10,637
Interest and other, net	(195,848)	1,102,341	(785,768)	—	120,725
Income before income taxes	195,673	117,035	58,140	—	370,848
Provision for income taxes	11	23,629	27,644	—	51,284
Equity in earnings in subsidiaries	123,902	(244,696)	233,325	(112,531)	—
Net income (loss)	$ 319,564	$ (151,290)	$ 263,821	$ (112,531)	$ 319,564

Condensed Consolidating Statements of Operations for Fiscal Year Ended March 31, 2016

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net sales	$ —	$16,841,405	$19,286,221	$(11,708,741)	$24,418,885
Cost of sales	—	15,278,265	19,241,300	(11,708,741)	22,810,824
Gross profit	—	1,563,140	44,921	—	1,608,061
Selling, general and administrative expenses	—	330,194	624,696	—	954,890
Intangible amortization	300	3,598	62,067	—	65,965
Interest and other, net	(191,859)	1,016,302	(691,912)	—	132,531
Income before income taxes	191,559	213,046	50,070	—	454,675
Provision for income taxes	26	(41,584)	52,152	—	10,594
Equity in earnings in subsidiaries	252,548	(173,846)	397,831	(476,533)	—
Net income	$444,081	$ 80,784	$ 395,749	$ (476,533)	$ 444,081

20. SUPPLEMENTAL GUARANTOR AND NON-GUARANTOR CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Condensed Consolidating Statements of Operations for Fiscal Year Ended March 31, 2015

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net sales	$ —	$19,016,750	$19,543,163	$(12,411,997)	$26,147,916
Cost of sales	—	17,502,863	19,511,710	(12,411,997)	24,602,576
Gross profit	—	1,513,887	31,453	—	1,545,340
Selling, general and administrative expenses	—	258,212	586,261	—	844,473
Intangible amortization	300	3,808	27,927	—	32,035
Interest and other, net	10,086	901,059	(912,968)	—	(1,823)
Income (loss) before income taxes	(10,386)	350,808	330,233	—	670,655
Provision for income taxes	—	14,143	55,711	—	69,854
Equity in earnings in subsidiaries	611,187	564,105	471,575	(1,646,867)	—
Net income	$ 600,801	$ 900,770	$ 746,097	$ (1,646,867)	$ 600,801

Condensed Consolidating Statements of Comprehensive Income for Fiscal Year Ended March 31, 2017

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net income (loss)	$319,564	$(151,290)	$263,821	$(112,531)	$319,564
Other comprehensive income (loss):					
Foreign currency translation adjustments, net of zero tax	(1,324)	103,335	44,421	(147,756)	(1,324)
Unrealized loss on derivative instruments and other, net of zero tax	9,096	4,819	9,096	(13,915)	9,096
Comprehensive income (loss)	$327,336	$ (43,136)	$317,338	$(274,202)	$327,336

Condensed Consolidating Statements of Comprehensive Income for Fiscal Year Ended March 31, 2016

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net income	$444,081	$ 80,784	$395,749	$(476,533)	$444,081
Other comprehensive income (loss):					
Foreign currency translation adjustments, net of zero tax	17,846	(21,972)	(15,735)	37,707	17,846
Unrealized gain on derivative instruments and other, net of zero tax	26,744	15,188	26,744	(41,932)	26,744
Comprehensive income	$488,671	$ 74,000	$406,758	$(480,758)	$488,671

Condensed Consolidating Statements of Comprehensive Income for Fiscal Year Ended March 31, 2015

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net income	$600,801	$ 900,770	$746,097	$(1,646,867)	$600,801
Other comprehensive loss:					
Foreign currency translation adjustments, net of zero tax	(18,932)	177,046	221,418	(398,464)	(18,932)
Unrealized loss on derivative instruments and other, net of zero tax	(35,417)	(33,769)	(35,417)	69,186	(35,417)
Comprehensive income	$546,452	$1,044,047	$932,098	$(1,976,145)	$546,452

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20. SUPPLEMENTAL GUARANTOR AND NON-GUARANTOR CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Condensed Consolidating Statements of Cash Flows for Fiscal Year Ended March 31, 2017

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net cash provided by operating activities	$ 144,580	$ 47,905	$ 957,424	$ —	$1,149,909
Cash flows from investing activities:					
Purchases of property and equipment, net of proceeds from disposal	—	(182,132)	(307,388)	15	(489,505)
Acquisition of businesses, net of cash acquired	—	(69,998)	(119,086)	—	(189,084)
Proceeds from divestitures of business, net of cash held in divested business	—	30,655	6,076	—	36,731
Investing cash flows from (to) affiliates	(1,142,988)	(3,440,099)	159,426	4,423,661	—
Other investing activities, net	(61,212)	(12,429)	13,312	—	(60,329)
Net cash used in investing activities	(1,204,200)	(3,674,003)	(247,660)	4,423,676	(702,187)
Cash flows from financing activities:					
Proceeds from bank borrowings and long-term debt	204,879	107,502	360	—	312,741
Repayments of bank borrowings and long-term debt and capital lease obligations	(128,967)	(6,695)	(6,068)	—	(141,730)
Payments for repurchases of ordinary shares	(349,532)	—	—	—	(349,532)
Proceeds from exercise of stock options	12,438	—	—	—	12,438
Financing cash flows from (to) affiliates	1,164,543	3,606,993	(347,860)	(4,423,676)	—
Other financing activities, net	30,000	(51,902)	(54,122)	—	(76,024)
Net cash provided by financing activities	933,361	3,655,898	(407,690)	(4,423,676)	(242,107)
Effect of exchange rates on cash and cash equivalents	(47,055)	(8,918)	73,463	—	17,490
Net increase (decrease) in cash and cash equivalents	(173,314)	20,882	375,537	—	223,105
Cash and cash equivalents, beginning of period	734,869	148,201	724,500	—	1,607,570
Cash and cash equivalents, end of period	$ 561,555	$ 169,083	$1,100,037	$ —	$1,830,675

20. SUPPLEMENTAL GUARANTOR AND NON-GUARANTOR CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Condensed Consolidating Statements of Cash Flows for Fiscal Year Ended March 31, 2016

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net cash provided by operating activities	$ 162,275	$ 426,639	$ 547,531	$ —	$ 1,136,445
Cash flows from investing activities:					
Purchases of property and equipment, net of proceeds from disposal	—	(151,383)	(345,584)	9	(496,958)
Acquisition of businesses, net of cash acquired	—	(809,272)	(107,255)	—	(916,527)
Proceeds from divestitures of business, net of cash held in divested business	—	—	5,740	—	5,740
Investing cash flows to affiliates	(1,596,210)	(1,587,365)	(1,509,352)	4,692,927	—
Other investing activities, net	(500)	(31,011)	42,880	—	11,369
Net cash used in investing activities	(1,596,710)	(2,579,031)	(1,913,571)	4,692,936	(1,396,376)
Cash flows from financing activities:					
Proceeds from bank borrowings and long-term debt	824,618	—	60,084	—	884,702
Repayments of bank borrowings and long-term debt and capital lease obligations	(179,920)	(3,059)	(7,242)	—	(190,221)
Payments for repurchases of ordinary shares	(420,317)	—	—	—	(420,317)
Proceeds from exercise of stock options	61,278	—	—	—	61,278
Financing cash flows from affiliates	1,240,145	2,143,568	1,309,223	(4,692,936)	—
Other financing activities, net	—	(8,800)	(77,000)	—	(85,800)
Net cash provided by financing activities	1,525,804	2,131,709	1,285,065	(4,692,936)	249,642
Effect of exchange rates on cash and cash equivalents	34,529	612	(45,690)	—	(10,549)
Net increase (decrease) in cash and cash equivalents	125,898	(20,071)	(126,665)	—	(20,838)
Cash and cash equivalents, beginning of period	608,971	168,272	851,165	—	1,628,408
Cash and cash equivalents, end of period	$ 734,869	$ 148,201	$ 724,500	$ —	$ 1,607,570

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20. SUPPLEMENTAL GUARANTOR AND NON-GUARANTOR CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Condensed Consolidating Statements of Cash Flows for Fiscal Year Ended March 31, 2015

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Net cash provided by (used in) operating activities	$ (73,356)	$ 75,775	$ 791,615	$ —	$ 794,034
Cash flows from investing activities:					
Purchases of property and equipment, net of proceeds from disposal	—	(85,876)	(153,833)	(15)	(239,724)
Acquisition and divestiture of businesses, net of cash acquired and cash held in divested business	—	(20,589)	(46,265)	—	(66,854)
Investing cash flows from (to) affiliates	(1,703,983)	(1,900,810)	796,493	2,808,300	—
Other investing activities, net	(1,500)	(13,821)	79,683	—	64,362
Net cash provided by (used in) investing activities	(1,705,483)	(2,021,096)	676,078	2,808,285	(242,216)
Cash flows from financing activities:					
Proceeds from bank borrowings and long-term debt	303,000	4,737	11,805	—	319,542
Repayments of bank borrowings and long-term debt and capital lease obligations	(335,500)	(3,127)	(5,529)	—	(344,156)
Payments for early repurchase of long-term debt	—	—	—	—	—
Payments for repurchases of ordinary shares	(415,945)	—	—	—	(415,945)
Proceeds from exercise of stock options	23,497	—	11	—	23,508
Financing cash flows from (to) affiliates	2,420,952	1,904,164	(1,516,831)	(2,808,285)	—
Other financing activities, net	—	—	(98,966)	—	(98,966)
Net cash provided by (used in) financing activities	1,996,004	1,905,774	(1,609,510)	(2,808,285)	(516,017)
Effect of exchange rates on cash and cash equivalents	(246,908)	(2,643)	248,430	—	(1,121)
Net increase (decrease) in cash and cash equivalents	(29,743)	(42,190)	106,613	—	34,680
Cash and cash equivalents, beginning of period	638,714	210,462	744,552	—	1,593,728
Cash and cash equivalents, end of period	$ 608,971	$ 168,272	$ 851,165	$ —	$1,628,408

21. QUARTERLY FINANCIAL DATA (UNAUDITED)

The Company's third fiscal quarter ends on December 31, which are comprised of 92 days and 97 days for fiscal years 2017 and 2016, respectively. The fourth fiscal quarter and year ends on March 31 of each year, which is comprised of 90 days and 91 days for fiscal years 2017 and 2016, respectively. The first fiscal quarter ended on July 1, 2016, which is comprised of 92 days in the period, and June 26, 2015, which is comprised of 87 days in the period, respectively. The second fiscal quarter ended on September 30, 2016 and September 25, 2015, which are comprised of 91 days in both periods, respectively.

The following table contains unaudited quarterly financial data for fiscal years 2017 and 2016.

	Fiscal Year Ended March 31, 2017				Fiscal Year Ended March 31, 2016			
	First	Second	Third	Fourth	First	Second	Third	Fourth
Net sales	$5,876,813	$6,008,525	$6,114,999	$5,862,597	$5,566,248	$6,316,762	$6,763,177	$5,772,698
Gross profit(1)	405,995	313,691	416,455	384,804	352,341	396,916	452,467	406,337
Net income (loss)(2)	105,729	(2,508)	129,469	86,874	110,850	122,977	148,910	61,344
Earnings per share(3):								
Net income:								
Basic	$ 0.19	$ 0.00	$ 0.24	$ 0.16	$ 0.20	$ 0.22	$ 0.27	$ 0.11
Diluted	$ 0.19	$ 0.00	$ 0.24	$ 0.16	$ 0.19	$ 0.22	$ 0.27	$ 0.11

(1) Gross profit for the second quarter of fiscal year 2017 was affected by $92.9 million of SunEdison bankruptcy related charges, as further described in Note 2.

(2) Net income for the second quarter of fiscal year 2017 was affected by $92.9 million of SunEdison bankruptcy related charges, as further described in Note 2. Net income for the fourth quarter of fiscal year 2016 was affected by $61.0 million of bad debt reserve charges, also related to the SunEdison bankruptcy.

(3) Earnings per share are computed independently for each quarter presented; therefore, the sum of the quarterly earnings per share may not equal the total earnings per share amounts for the fiscal year.

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ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

Not applicable.

ITEM 9A. *CONTROLS AND PROCEDURES*

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of March 31, 2017. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2017, the Company's disclosure controls and procedures were effective in ensuring that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a- 15(f) under the Securities Exchange Act of 1934, as amended. As of March 31, 2017, under the supervision and with the participation of management, including the Company's Chief Executive Officer and Chief Financial Officer, an evaluation was conducted of the effectiveness of the Company's internal control over financial reporting based on the framework in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, management concluded that the Company's internal control over financial reporting was effective as of March 31, 2017.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements or prevent or detect instances of fraud. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls may be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management's annual assessment of the effectiveness of our internal control over financial reporting as of March 31, 2017 excluded the internal control over financial reporting of three of our acquisitions that were completed during the year ended March 31, 2017, which constitute, in the aggregate, 1% of total assets and 2% of net sales of the consolidated financial statements amount as of, and for the fiscal year ended March 31, 2017.

(c) Attestation Report of the Registered Public Accounting Firm

The effectiveness of the Company's internal control over financial reporting as of March 31, 2017 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which appears in this Item under the heading "Report of Independent Registered Public Accounting Firm."

(d) Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal controls over financial reporting that occurred during the fourth quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the internal control over financial reporting of Flex Ltd. and subsidiaries (the "Company") as of March 31, 2017, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Annual Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting of four acquisitions that were completed during the year ended March 31, 2017, which constitute, in aggregate, 1% of total assets and 2% of net sales of the consolidated financial statement amounts as of and for the fiscal year ended March 31, 2017. Accordingly, our audit did not include the internal control over financial reporting of four acquisitions. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2017, based on the criteria established in *Internal Control—Integrated Framework(2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended March 31, 2017 of the Company and our report dated May 16, 2017 expressed an unqualified opinion on those financial statements.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
May 16, 2017

ITEM 9B. *OTHER INFORMATION*

Not applicable.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2017 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 11. *EXECUTIVE COMPENSATION*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2017 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2017 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2017 Annual General Meeting of Shareholders. Such information is incorporated by reference.

ITEM 14. *PRINCIPAL ACCOUNTANT FEES AND SERVICES*

Information with respect to this item may be found in our definitive proxy statement to be delivered to shareholders in connection with our 2017 Annual General Meeting of Shareholders. Such information is incorporated by reference.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a) Documents filed as part of this annual report on Form 10-K:

1. *Financial Statements.* See Item 8, “Financial Statements and Supplementary Data.”

2. *Financial Statement Schedules.* “Schedule II—Valuation and Qualifying Accounts” is included in the financial statements, see Concentration of Credit Risk in Note 2, “Summary of Accounting Policies” of the Notes to Consolidated Financial Statements in Item 8, “Financial Statements and Supplementary Data.”

3. *Exhibits.* The following exhibits are filed with this annual report on Form 10-K:

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Incorporated by Reference Filing Date	Exhibit No.	Filed Herewith
3.01	Constitution of the Registrant	10-Q	000-23354	10-31-16	3.01	
4.01	Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	8-K	000-23354	02-22-13	4.01	
4.02	Form of 4.625% Note due 2020	8-K	000-23354	02-22-13	4.02	
4.03	Form of 5.000% Note due 2023	8-K	000-23354	02-22-13	4.03	
4.04	First Supplemental Indenture, dated as of March 28, 2013, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, to the Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	10-K	000-23354	05-28-13	4.11	
4.05	Second Supplemental Indenture, dated as of August 25, 2014, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, to the Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	10-Q	000-23354	10-30-14	4.01	
4.06	Third Supplemental Indenture, dated as of September 11, 2015, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	S-4	333-207067	09-22-15	4.11	
4.07	Indenture, dated as of June 8, 2015, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee	8-K	000-23354	06-08-15	4.1	
4.08	Form of 4.750% Note due 2025	8-K	000-23354	06-08-15	4.2	
4.09	First Supplemental Indenture, dated as of September 11, 2015, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.750% Notes due 2025	S-4	333-207067	09-22-15	4.04	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
4.10	Credit Agreement, dated as of March 31, 2014, among Flex Ltd. and certain of its subsidiaries, as borrowers, Bank of America, N.A., as Administrative Agent and Swing Line Lender, and the other Lenders party thereto	8-K	000-23354	04-01-14	10.01	
4.11	Amendment No. 1, dated as of September 30, 2015, to Credit Agreement, dated as of March 31, 2014, among Flex Ltd. and certain of its subsidiaries, as borrowers, Bank of America, N.A., as Administrative Agent and Swing Line Lender, and the other Lenders party thereto	10-Q	000-23354	02-01-16	4.01	
4.12	Term Loan Agreement, dated as of November 30, 2016, among Flex Ltd., as borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent, and the other Lenders party thereto	8-K	000-23354	12-01-16	10.01	
10.01	Form of Indemnification Agreement between the Registrant and its Directors and certain officers.†	10-K	000-23354	05-20-09	10.10	
10.02	Form of Indemnification Agreement between Flextronics Corporation and Directors and certain officers of the Registrant.†	10-K	000-23354	05-20-09	10.20	
10.03	Flex Ltd. 2001 Equity Incentive Plan, as amended.†	10-Q	000-23354	11-03-09	10.01	
10.04	Registrant's 2002 Interim Incentive Plan, as amended.†	8-K	000-23354	07-14-09	10.02	
10.05	Registrant's 2004 Award Plan for New Employees, as amended.†	8-K	000-23354	07-14-09	10.09	
10.06	Flex Ltd. 2010 Equity Incentive Plan.†	8-K	000-23354	07-28-10	10.01	
10.07	Form of Share Option Award Agreement under 2010 Equity Incentive Plan†	10-Q	000-23354	08-05-10	10.02	
10.08	Form of Restricted Share Unit Award Agreement under 2010 Equity Incentive Plan†	10-Q	000-23354	08-05-10	10.03	
10.09	Flextronics International USA, Inc. Third Amended and Restated 2005 Senior Management Deferred Compensation Plan†	10-Q	000-23354	02-05-09	10.02	
10.10	Flextronics International USA, Inc. Third Amended and Restated Senior Executive Deferred Compensation Plan†	10-Q	000-23354	02-05-09	10.01	
10.11	Summary of Directors' Compensation†	10-K	000-23354	05-21-15	10.16	
10.12	Solectron Corporation 2002 Stock Plan, as amended.†	10-Q	000-23354	11-03-09	10.02	
10.13	Executive Incentive Compensation Recoupment Policy†	10-Q	000-23354	08-05-10	10.06	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
10.14	Francois Barbier Offer Letter, dated as of July 1, 2010†	8-K	000-23354	09-03-10	10.01	
10.15	Francois Barbier Relocation Expenses Addendum, dated as of March 5, 2013†	10-K	000-23354	05-28-13	10.27	
10.16	Francois Barbier Confirmation Date Letter, dated as of August 30, 2010†	8-K	000-23354	09-03-10	10.03	
10.17	2010 Flextronics International USA, Inc. Deferred Compensation Plan†	10-Q	000-23354	11-03-10	10.04	
10.18	Form of Restricted Stock Unit Award Under 2010 Equity Incentive Plan†	10-Q	000-23354	08-09-11	10.01	
10.19	Form of Amendment to certain senior executive Restricted Share Unit Agreements under the 2010 Equity Incentive Plan†	10-Q	000-23354	02-04-13	10.02	
10.20	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for certain performance based awards†	10-Q	000-23354	02-04-13	10.03	
10.21	Form of Award Agreement under 2010 Deferred Compensation Plan†	10-Q	000-23354	07-30-12	10.01	
10.22	Summary of Compensation Arrangements of Certain Executive Officers of Flex Ltd.†					X
10.23	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for time-based vesting awards†	10-Q	000-23354	11-01-13	10.02	
10.24	Form of Performance-Based Restricted Stock Unit Award (S&P500/Extended EMS Group)†	10-Q	000-23354	08-02-13	10.01	
10.25	Form of 2010 Deferred Compensation Plan Award Agreement (performance targets, cliff vesting)†	10-Q	000-23354	08-02-13	10.02	
10.26	Form of 2010 Deferred Compensation Plan Award Agreement (non-performance, periodic vesting, continuing Participant)†	10-Q	000-23354	08-02-13	10.03	
10.27	Award Agreement under the 2010 Deferred Compensation Plan†	10-Q	000-23354	07-28-14	10.01	
10.28	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for certain executive fiscal year 2015 performance-based awards†	10-Q	000-23354	10-30-14	10.01	
10.29	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for CEO FY15 performance-based award†	10-Q	000-23354	10-30-14	10.01	
10.30	Description of Annual Incentive Bonus Plan for Fiscal 2017†	10-Q	000-23354	07-27-16	10.02	
10.31	Description of Performance Long Term Incentive Plan for Fiscal 2017†	10-Q	000-23354	07-27-16	10.03	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
10.32	NEXTracker Inc. 2014 Equity Incentive Plan†	S-8	333-207325	10-07-15	99.01	
10.33	Form of Elementum Holding Ltd. Restricted Share Purchase Agreement†	10-Q	000-23354	10-26-15	10.02	
10.34	BrightBox Technologies, Inc. 2013 Stock Incentive Plan†	S-8	333-212267	06-27-16	99.01	
10.35	Mutual Separation Agreement and Release of Claims dated June 20, 2016, by and between Flextronics International USA, Inc. and Jon Hoak†	10-Q	000-23354	07-27-16	10.04	
21.01	Subsidiaries of Registrant.					X
23.01	Consent of Deloitte & Touche LLP.					X
24.01	Power of Attorney (included on the signature page to this Form 10-K)					X
31.01	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
31.02	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
32.01	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350*					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Scheme Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X

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

† Management contract, compensatory plan or arrangement.

ITEM 16. ***FORM 10-K SUMMARY***

None

Annual Report

SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Flex Ltd.

By: /s/ MICHAEL M. MCNAMARA

Michael M. McNamara
Chief Executive Officer

Date: May 16, 2017

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints jointly and severally, Michael M. McNamara and Christopher Collier and each one of them, his attorneys-in-fact, each with the power of substitution, for him in any and all capacities, to sign any and all amendments to this Report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ MICHAEL M. MCNAMARA Michael M. McNamara	Chief Executive Officer and Director (Principal Executive Officer)	May 16, 2017
/s/ CHRISTOPHER COLLIER Christopher Collier	Chief Financial Officer (Principal Financial Officer)	May 16, 2017
/s/ DAVID BENNETT David Bennett	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	May 16, 2017
/s/ H. RAYMOND BINGHAM H. Raymond Bingham	Chairman of the Board	May 16, 2017
/s/ MICHAEL D. CAPELLAS Michael D. Capellas	Director	May 16, 2017
/s/ MARC A. ONETTO Marc A. Onetto	Director	May 16, 2017
/s/ DANIEL H. SCHULMAN Daniel H. Schulman	Director	May 16, 2017

Signature	Title	Date
/s/ Willy Shih, Ph.D. Willy Shih, Ph.D.	Director	May 16, 2017
/s/ Lay Koon Tan Lay Koon Tan	Director	May 16, 2017
/s/ William D. Watkins William D. Watkins	Director	May 16, 2017
/s/ Lawrence A. Zimmerman Lawrence A. Zimmerman	Director	May 16, 2017

EXHIBIT INDEX

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Incorporated by Reference Filing Date	Exhibit No.	Filed Herewith
3.01	Constitution of the Registrant	10-Q	000-23354	10-31-16	3.01	
4.01	Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	8-K	000-23354	02-22-13	4.01	
4.02	Form of 4.625% Note due 2020	8-K	000-23354	02-22-13	4.02	
4.03	Form of 5.000% Note due 2023	8-K	000-23354	02-22-13	4.03	
4.04	First Supplemental Indenture, dated as of March 28, 2013, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, to the Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	10-K	000-23354	05-28-13	4.11	
4.05	Second Supplemental Indenture, dated as of August 25, 2014, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, to the Indenture, dated as of February 20, 2013, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	10-Q	000-23354	10-30-14	4.01	
4.06	Third Supplemental Indenture, dated as of September 11, 2015, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.625% Notes due 2020 and 5.000% Notes due 2023	S-4	333-207067	09-22-15	4.11	
4.07	Indenture, dated as of June 8, 2015, by and between the Registrant, the Guarantors party thereto and U.S. Bank National Association, as Trustee	8-K	000-23354	06-08-15	4.1	
4.08	Form of 4.750% Note due 2025	8-K	000-23354	06-08-15	4.2	
4.09	First Supplemental Indenture, dated as of September 11, 2015, among the Registrant, the Guarantor party thereto and U.S. Bank National Association, as Trustee, related to the Registrant's 4.750% Notes due 2025	S-4	333-207067	09-22-15	4.04	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
4.10	Credit Agreement, dated as of March 31, 2014, among Flex Ltd. and certain of its subsidiaries, as borrowers, Bank of America, N.A., as Administrative Agent and Swing Line Lender, and the other Lenders party thereto	8-K	000-23354	04-01-14	10.01	
4.11	Amendment No. 1, dated as of September 30, 2015, to Credit Agreement, dated as of March 31, 2014, among Flex Ltd. and certain of its subsidiaries, as borrowers, Bank of America, N.A., as Administrative Agent and Swing Line Lender, and the other Lenders party thereto	10-Q	000-23354	02-01-16	4.01	
4.12	Term Loan Agreement, dated as of November 30, 2016, among Flex Ltd., as borrower, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Administrative Agent, and the other Lenders party thereto	8-K	000-23354	12-01-16	10.01	
10.01	Form of Indemnification Agreement between the Registrant and its Directors and certain officers.†	10-K	000-23354	05-20-09	10.10	
10.02	Form of Indemnification Agreement between Flextronics Corporation and Directors and certain officers of the Registrant.†	10-K	000-23354	05-20-09	10.20	
10.03	Flex Ltd. 2001 Equity Incentive Plan, as amended.†	10-Q	000-23354	11-03-09	10.01	
10.04	Registrant's 2002 Interim Incentive Plan, as amended.†	8-K	000-23354	07-14-09	10.02	
10.05	Registrant's 2004 Award Plan for New Employees, as amended.†	8-K	000-23354	07-14-09	10.09	
10.06	Flex Ltd. 2010 Equity Incentive Plan.†	8-K	000-23354	07-28-10	10.01	
10.07	Form of Share Option Award Agreement under 2010 Equity Incentive Plan†	10-Q	000-23354	08-05-10	10.02	
10.08	Form of Restricted Share Unit Award Agreement under 2010 Equity Incentive Plan†	10-Q	000-23354	08-05-10	10.03	
10.09	Flextronics International USA, Inc. Third Amended and Restated 2005 Senior Management Deferred Compensation Plan†	10-Q	000-23354	02-05-09	10.02	
10.10	Flextronics International USA, Inc. Third Amended and Restated Senior Executive Deferred Compensation Plan†	10-Q	000-23354	02-05-09	10.01	
10.11	Summary of Directors' Compensation†	10-K	000.23354	05-21-15	10.16	
10.12	Solectron Corporation 2002 Stock Plan, as amended.†	10-Q	000-23354	11-03-09	10.02	
10.13	Executive Incentive Compensation Recoupment Policy†	10-Q	000-23354	08-05-10	10.06	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
10.14	Francois Barbier Offer Letter, dated as of July 1, 2010†	8-K	000-23354	09-03-10	10.01	
10.15	Francois Barbier Relocation Expenses Addendum, dated as of March 5, 2013†	10-K	000-23354	05-28-13	10.27	
10.16	Francois Barbier Confirmation Date Letter, dated as of August 30, 2010†	8-K	000-23354	09-03-10	10.03	
10.17	2010 Flextronics International USA, Inc. Deferred Compensation Plan†	10-Q	000-23354	11-03-10	10.04	
10.18	Form of Restricted Stock Unit Award Under 2010 Equity Incentive Plan†	10-Q	000-23354	08-09-11	10.01	
10.19	Form of Amendment to certain senior executive Restricted Share Unit Agreements under the 2010 Equity Incentive Plan†	10-Q	000-23354	02-04-13	10.02	
10.20	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for certain performance based awards†	10-Q	000-23354	02-04-13	10.03	
10.21	Form of Award Agreement under 2010 Deferred Compensation Plan†	10-Q	000-23354	07-30-12	10.01	
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10.25	Form of 2010 Deferred Compensation Plan Award Agreement (performance targets, cliff vesting)†	10-Q	000-23354	08-02-13	10.02	
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10.29	Form of Restricted Share Unit Award Agreement under the 2010 Equity Incentive Plan for CEO FY15 performance-based award†	10-Q	000-23354	10-30-14	10.01	
10.30	Description of Annual Incentive Bonus Plan for Fiscal 2017†	10-Q	000-23354	07-27-16	10.02	

Exhibit No.	Exhibit	Form	Incorporated by Reference File No.	Filing Date	Exhibit No.	Filed Herewith
10.31	Description of Performance Long Term Incentive Plan for Fiscal 2017†	10-Q	000-23354	07-27-16	10.03	
10.32	NEXTracker Inc. 2014 Equity Incentive Plan†	S-8	333-207325	10-07-15	99.01	
10.33	Form of Elementum Holding Ltd. Restricted Share Purchase Agreement†	10-Q	000-23354	10-26-15	10.02	
10.34	BrightBox Technologies, Inc. 2013 Stock Incentive Plan†	S-8	333-212267	06-27-16	99.01	
10.35	Mutual Separation Agreement and Release of Claims dated June 20, 2016, by and between Flextronics International USA, Inc. and Jon Hoak†	10-Q	000-23354	07-27-16	10.04	
21.01	Subsidiaries of Registrant.					X
23.01	Consent of Deloitte & Touche LLP.					X
24.01	Power of Attorney (included on the signature page to this Form 10-K)					X
31.01	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
31.02	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
32.01	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350*					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Scheme Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X

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

† Management contract, compensatory plan or arrangement.

Shareholder Information

CORPORATE HEADQUARTERS

2 Changi South Lane
Singapore 486123
Tel: +65.6876.9899

ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders will be held at 9:00 A.M. Pacific time on August 15, 2017. The meeting will be held at:

Flex Ltd.
6201 America Center Drive
San Jose, CA 95002
Tel: +1.408.576.7000

STOCK LISTING

The Company's ordinary shares are traded on the NASDAQ Global Select Market under the symbol FLEX.

WEBSITE

www.flex.com

INVESTOR RELATIONS

For shareholder or investor related inquiries, contact:

Flex Ltd.
Investor Relations
6201 America Center Drive
San Jose, CA 95002
Tel: +1.408.576.7985
Fax: +1.408.576.7106
investors.flex.com

In order to help reduce costs, please report any duplicate mailings of shareholder materials by contacting Investor Relations.

SEC FILINGS

The Company makes available through its Internet website, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the Securities and Exchange Commission. **Upon request, we will furnish without charge to each person to whom this report is delivered a copy of any exhibit listed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017. You may request a copy of this information at no cost, by writing or telephoning us at our principal U.S. offices at the investor relations contact above.**

TRANSFER AGENT AND REGISTRAR

For questions regarding misplaced share certificates, changes of address or the consolidation of accounts, please contact the Company's transfer agent:

Computershare Trust Company NA

First Class, Registered and Certified Mail
Computershare
P.O. Box 505000
Louisville, KY 40233
Shareholder Contact Center: 1.877.373.6374

Overnight Courier
Computershare
462 South 4th Street, Suite 1600
Louisville, KY 40202
Tel: 1.781.575.2879

EXECUTIVE OFFICERS

Michael M. McNamara—*Chief Executive Officer*

Christopher Collier—*Chief Financial Officer*

François Barbier—*President, Global Operations and Components*

David Bennett—*Chief Accounting Officer*

Paul Humphries—*President, High Reliability Solutions*

Scott Offer—*Executive Vice President and General Counsel*

DIRECTORS

Michael D. Capellas—*Principal, Capellas Strategic Partners, a strategic advisory firm*

Michael M. McNamara—*Chief Executive Officer, Flex Ltd.*

Marc A. Onetto—*Former Senior Vice President of Worldwide Operations and Customer Service, Amazon.com Inc.*

Daniel H. Schulman—*President and CEO of Paypal Holdings, Inc.*

Dr. Willy C. Shih—*Professor of Management Practice at the Harvard Business School*

Lay Koon Tan—*Former President, Chief Executive Officer and Director, STATS ChipPAC Ltd.*

William D. Watkins—*Former Chairman and Chief Executive Officer, Imergy Power Systems, Inc.*

Lawrence A. Zimmerman—*Former Vice Chairman and Chief Financial Officer, Xerox Corporation*

FORWARD LOOKING STATEMENTS

This annual report, including the letter to our shareholders, may contain "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "will," "may," "designed to," "believe," "should," "anticipate," "plan," "expect," "intend," "estimate" and similar expressions are intended to identify forward-looking statements. While the company may elect to update forward-looking statements in the future, it specifically disclaims its obligation to do so, even if the company's estimates change. A number of factors could cause the results of the company to differ materially from those indicated by such forward-looking statements, including those detailed under the headings "Risk Factors" in Part I, Item 1A and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7, in the accompanying Annual Report on Form 10-K for the fiscal year ended March 31, 2017.

Flex Ltd.
2017 Annual General Meeting of Shareholders
Directions and Parking Information
August 15, 2017
9:00 A.M. Pacific time

The Annual General Meeting of Shareholders will be held at 6201 America Center Dr., San Jose, CA 95002 at 9:00 A.M. Pacific time.

Directions from San Francisco International Airport

- Head North on International Terminal Departures
- Take the ramp to US-101 S
- Keep left at the fork and merge onto US-101 S and continue on US-101 S to Milpitas
- Take the exit onto CA-237 E toward Alviso/Milpitas
- Take the exit toward Lafayette Street
- Turn left onto Great America Parkway
- At the traffic circle, continue straight to stay on America Center Drive
- Destination will be on the left

Directions from Mineta San Jose International Airport

- Head Northwest on Airport Blvd toward Airport Pkwy
- Slight right onto Airport Pkwy
- Turn right onto Matrix Blvd. and then a sharp left onto N. 1st Street
- Slight right to merge onto US-101 N
- Take the Great America Pkwy exit toward Bowers Avenue
- Turn right onto Great America Pkwy and continue onto America Center Drive
- At the traffic circle, continue straight to stay on America Center Drive
- Destination will be on the left

Directions from Oakland International Airport

- Head Southeast the slight left toward Airport Drive
- Continue onto Airport Drive
- Continue onto Bessie Coleman Drive
- Continue onto 98th Avenue then slight right onto I-880 S ramp to San Jose
- Continue onto I-880 S
- Take the CA-237 W exit toward Mountain View and merge onto CA-237 W
- Take the Great America Pkwy exit toward Lafayette Street
- Turn right onto Great America Pkwy and continue onto America Center Drive
- At the traffic circle, continue straight to stay on America Center Drive
- Destination will be on the left

Parking

Flex has reserved parking spaces for shareholders attending the meeting. These spaces will be designated as “Reserved for Flex Shareholders’ Meeting.”

flex.com