# Proposal No. 3: Non-Binding, Advisory Resolution on Executive Compensation

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 the compensation tables and accompanying narrative disclosure under "Executive Compensation."

Flex's compensation philosophy is that pay should be meaningfully aligned to performance. Our pay programs are designed to tie actual pay delivery for our executives to performance against the Company's short-term and long-term performance goals and the creation of shareholder value. A key objective of our compensation programs is to attract, retain and motivate superior executive talent by providing competitive pay opportunities and then paying for the achievement of rigorous Company objectives, while balancing the need to avoid excessive or inappropriate risk-taking, and maintaining an appropriate cost structure.

We urge shareholders to carefully read the Compensation Discussion and Analysis section of this proxy statement. The Compensation Discussion and Analysis describes how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives and shows the link between our performance and our executives' incentive compensation. We also encourage shareholders to review the Summary Compensation Table and the other related compensation tables and narrative, which provide detailed information on the compensation of our NEOs.

While the vote on this resolution is advisory and not binding on the Company, each member of the Compensation Committee and the Board values the opinions of our shareholders and will consider the outcome of the vote on this resolution when making decisions regarding future executive compensation arrangements. We have held a say-on-pay advisory vote on an annual basis since 2011; the next say-on-pay vote is anticipated to occur at our 2021 annual general meeting.

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

## Message from the Compensation Committee

Over the course of the year, our CEO, Ms. Advaithi, introduced our core strategic goals to be a leader in the markets where we compete, return to profitable growth, and deliver higher margins and consistent earnings. We, the Compensation Committee, are committed to compensation programs that help drive Flex's focus on disciplined growth. We periodically assess our compensation programs to ensure they are appropriately aligned with our business strategy and are achieving their objectives. In addition, we regularly review external data and best practices in the executive compensation area to ensure our compensation programs and associated governance provisions remain shareholder friendly and keep pace with evolving market trends. We have recommended and our Board has approved changes in our compensation policies and practices in order to align with best practices.

**74%**
**of our shares outstanding**

In connection with the decrease in last year's say-on-pay support level, the Board of Directors conducted substantial shareholder outreach. Our outreach included 22 firms representing 74% of our share voting power (as of March 31, 2020). We met with 16 firms to discuss governance and executive compensation (61% of our share voting power). 6 firms either confirmed that they had no concerns to discuss or did not respond (13% of our share voting power). Based on the feedback we received, and to align to best practices, the Company made a number of shareholder-aligned changes to support the link between pay and performance in our pay programs and to improve associated governance policies. The Company has also directly responded to the feedback by providing a detailed rationale for the fiscal year 2019 CEO stock grant and demonstrating that 100% of the award was a make-whole grant. For more information, see page 48.