

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

NOTICE OF EXEMPT SOLICITATION

1. Name of the Registrant: Omega Flex, Inc.
2. Name of person relying on exemption: CalSTRS Investments
3. Address of person relying on exemption: 100 Waterfront Place, MS 04, West Sacramento, CA 95605-2807
4. Written Materials: Attach written material required to be submitted pursuant to Rule 14a-6(g)(1).



California State Teachers'
Retirement System
Sustainable Investment and Stewardship Strategies
100 Waterfront Place
West Sacramento, CA 95605-2807

June 10, 2024

Dear Shareowner:

We are writing to you as fellow investors in Omega Flex (the "Company") to notify you that CalSTRS will be withholding its support for the re-election of the following directors at the Company's annual meeting on June 13, 2024: Stewart B. Reed, and Davis K. Evans.

CalSTRS is a significant, long-term shareowner in the Company and has decided to vote against these two directors given the following governance concerns at the Company:

Insufficient board diversity

- The Board of Omega Flex has failed to recruit board members with requisite skills and qualifications who are gender-, racially or ethnically-diverse.
- Consistent with CalSTRS' Corporate Governance Principles, we believe that board diversity can lead to better decision making, reduced risk, improved corporate governance and ultimately enhances the long-term performance and sustainability of the companies in our portfolio.
- Board composition related to diversity should be considered by the board and the nominating committee. When considering board diversity in the director nomination process, the board should consider attributes such as skills, background, experience, perspective, gender, age, sexual orientation, gender identity, cultural, racial and ethnic compositions and historically underrepresented groups, that are most appropriate to the company's long-term needs.
- The National Association of Corporate Directors' (NACD) *2019 Projections on Emerging Board Matters* highlights, "The stakes for having the right people around the boardroom table have never been higher...Of particular concern are whether there is enough diversity in the boardroom, whether the board has the right combination of skills and how the board views director tenure.... [D]irectors are recognizing that board composition should support and reflect the strategic needs of the organization."^[1]
- PwC's 2023 Annual Corporate Directors Survey noted that 93% of Directors surveyed agreed that board diversity brought unique perspectives to the boardroom and 82% agreed that it enhanced board performance.^[2]

^[1]<https://www.nacdonline.org/all-governance/governance-resources/governance-research/outlook-and-challenges/2019-governance-outlook-projections-emerging-board-matters/>

^[2] <https://www.pwc.com/us/en/services/governance-insights-center/library/assets/pwc-gic-acds-2023.pdf>

This is NOT a solicitation of authority to vote your proxy. Please DO NOT SEND us your proxy card. CalSTRS is not able to vote your proxies, and this communication does not contemplate such an event. This communication is meant to inform you about CalSTRS' opinion and to give you valuable decision-making information when you review your shareholder proxy for the Omega Flex 2024 annual shareholders' meeting.

Lack of responsiveness to shareholders

- Omega Flex's board of directors has demonstrated a lack of responsiveness to investor requests to engage with the Company on board diversity concerns and we believe it is important to hold them accountable.

Board structure

- The board is expected to be declassified and not have staggered terms. CalSTRS supports annual election of all directors and believes directors should be accountable to the shareholders they represent and therefore should stand for election every year.
- In the S&P 500 Index, only 13.7 percent of companies still staggered the terms of their director service as of 2022. Even in the Russell 3000, where board classifications are much more common, almost 60 percent of companies had transitioned to annual elections for all their board members by 2021.

Lack of independent board chair

- In 2020, more than half of S&P 500 boards (55 percent) split the chair and CEO roles, compared with 53 percent in 2019 and 40 percent in 2010.^[3]
- More companies are splitting the roles of CEO and Chair following governance crises or shareholder pressure.^[4]
- Companies are taking these actions to maximize management accountability and the independence of the board. Separating the chair and CEO positions reduces this conflict, and an independent chair provides the clearest separation of power between the CEO and the rest of the board. A board chaired by an independent director can avoid potential conflicts that occur with management oversight.

No Proxy Access

- CalSTRS supports providing access to a company's proxy by giving shareowners the ability to nominate directors to the board. We believe this is one of the most important rights for shareowners.

No majority vote standard for director elections

- CalSTRS supports a simple majority vote requirement in director elections, which promotes a sustainable system of governance that fosters director accountability and long-term value creation.

We believe that directors should be held accountable for demonstrating a lack of board responsiveness to shareowners' concerns and engagement efforts on board diversity as well as other governance concerns. We encourage you to vote AGAINST the re-election of these board members.

^[3] https://www.spencerstuart.com/-/media/2020/december/ssbi2020/2020_us_spencer_stuart_board_index.pdf

^[4] <https://www.wsj.com/articles/when-things-get-tough-companies-split-chairman-ceo-roles-11572778801>

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6/10/2024

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Please feel free to contact Rekha Vaitla, Investment Officer, CalSTRS, at revaitla@calstrs.com with any questions or concerns.

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