

SMITH INTERNATIONAL INC
Form S-4/A
June 25, 2008

As filed with the Securities and Exchange Commission on June 25, 2008

Registration No. 333-151897

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

SMITH INTERNATIONAL, INC.

Delaware

(State or other jurisdiction of
incorporation or organization)

1-8514

(Primary Standard Industrial
Classification Code Number)

95-3822631

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

16740 East Hardy Road
Houston, Texas 77032
(281) 443-3370

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Richard E. Chandler, Jr.
Senior Vice President, General Counsel and Corporate Secretary
Smith International, Inc.
16740 East Hardy Road
Houston, Texas 77032
(281) 443-3370

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Daniel A. Neff
David E. Shapiro
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
(212) 403-1000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement and completion of the transactions described in the enclosed prospectus/offer to exchange.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement

for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered ⁽²⁾	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price ⁽³⁾	Amount of Registration Fee ⁽⁴⁾
Common stock, par value \$1.00 per share (together with the associated preferred share purchase rights) ⁽¹⁾	N/A	N/A	\$1,396,526,372	\$54,883.49

(1) Each share of Smith common stock includes a right to purchase one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value \$1.00 per share, pursuant to the Rights Agreement, dated as of June 8, 2000, as amended, between Smith International, Inc. and First Chicago Trust Company of New York, as rights agent.

(2) In accordance with Rule 457(o), the number of shares has not been included.

(3) Pursuant to Rule 457(c) and Rule 457(f), and solely for the purpose of calculating the registration fee, the market value of the securities to be received was calculated as the product of (i) 32,383,154 shares of W-H common stock (the sum of (x) 30,711,232 shares of W-H common stock outstanding, (y) 1,411,838 shares of W-H common stock issuable upon the exercise of outstanding options and (z) 260,084 restricted stock awards outstanding, each as of June 23, 2008 (as set forth by W-H in its Solicitation/Recommendation Statement on Schedule 14D-9, filed June 24, 2008) and (ii) the average of the high and low sales prices of W-H common stock as reported on the New York Stock Exchange on June 17, 2008 (\$93.65), minus \$1,636,156,000, the estimated maximum aggregate amount of cash to be paid by Smith in the exchange offer and proposed merger.

(4) Calculated by multiplying the estimated aggregate offering price of securities to be registered by 0.00003930.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

The correct text of the Consent of Deloitte & Touche LLP was not included in Exhibit 23.1 to this Registration Statement on Form S-4 (the Registration Statement). The purpose of this Amendment No. 1 to the Registration Statement is solely to file the proper text in the Consent of Deloitte & Touche LLP as Exhibit 23.1 to the Registration Statement as set forth below in the Exhibit Index. No changes are being made to the prospectus that forms Part I of this Registration Statement.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned thereunto duly authorized, in the City of Houston, State of Texas, on June 25, 2008.

SMITH INTERNATIONAL, INC.

By: /s/ Richard E. Chandler, Jr.
Name: Richard E. Chandler, Jr.
Title: Senior Vice President, General
Counsel and Corporate Secretary

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
* Doug Rock	Chairman of the Board, Chief Executive Officer,	June 25, 2008
* Margaret K. Dorman	President and Chief Operating Officer Senior Vice President, Chief Financial Officer and Treasurer (principal financial and accounting officer)	June 25, 2008
* Loren K. Carroll	Director	June 25, 2008
* Dod A. Fraser	Director	June 25, 2008
* James R. Gibbs	Director	June 25, 2008
* Robert Kelley	Director	June 25, 2008
John Yearwood		

* By: /s/ Richard E. Chandler, Jr.

Richard E. Chandler, Jr.
Attorney-in-Fact

EXHIBIT INDEX

Exhibits designated with an * were previously filed with the initial filing of this Registration Statement.
 Exhibits designated with an ** are filed as an exhibit to this Amendment No. 1 to this Registration Statement.
 Exhibits designated with a + are identified as management contracts or compensatory plans or arrangements.
 Exhibits previously filed as indicated are incorporated by reference.

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger dated as of June 3, 2008, by and among Smith International, Inc., Whitehall Acquisition Corp. and W-H Energy Services, Inc. (incorporated by reference to Annex A of this Registration Statement).
3.1	Restated Certificate of Incorporation of Smith dated July 26, 2005. Filed as Exhibit 3.4 to Smith's report on Form 10-Q for the quarter ended June 30, 2005 and incorporated herein by reference.
3.2	Restated Bylaws of Smith. Filed as Exhibit 3.1 to Smith's report on Form 8-K dated April 29, 2008 and incorporated herein by reference.
4.1	Rights Agreement, dated as of June 8, 2000, between Smith and First Chicago Trust Company of New York, as Rights Agent. Filed as Exhibit 4.1 to Smith's report on Form 8-A, dated June 15, 2000, and incorporated herein by reference.
4.2	Amendment to Rights Agreement dated June 8, 2000, by and among Smith and First Chicago Trust Company of New York and effective as of October 1, 2001. Filed as Exhibit 4.1 to Smith's report on Form 10-Q for the quarter ended September 30, 2001 and incorporated herein by reference.
4.3	Amendment No. 2 to Rights Agreement by and among Smith and EquiServe Trust Company, N.A. and effective as of December 31, 2002. Filed as Exhibit 4.3 to Smith's report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.
4.4	Form of Indenture between Smith and The Bank of New York, as Trustee. Filed as Exhibit 4.1 to Smith's Registration Statement on Form S-3 dated August 22, 1997 and incorporated herein by reference.
4.5	Form of Senior Note due 2007. Filed as Exhibit 4.2 to Amendment No. 1 to Smith's Registration Statement on Form S-3 dated September 9, 1997 and incorporated herein by reference.
4.6	Form of Senior Note due 2011. Filed as Exhibit 4.1 to Smith's report on Form 8-K dated February 13, 2001 and incorporated herein by reference.
4.7	Form of Senior Note due 2016. Filed as Exhibit 4.1 to Smith's report on Form 8-K dated June 12, 2006 and incorporated herein by reference.
5.1*	Form of opinion of Wachtell, Lipton, Rosen & Katz regarding legality of securities being registered.
10.1+	Smith International, Inc. Third Amended and Restated 1989 Long-Term Incentive Compensation Plan, effective January 1, 2008. Filed as Exhibit 10.1 to Smith's report on Form 8-K dated May 19, 2008 and incorporated herein by reference.

10.2+

Smith International, Inc. Form of Nonstatutory Option Agreement as amended December 2005. Filed as Exhibit 10.3 to Smith's report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference.

Exhibit Number	Description of Exhibit
10.3+	Smith International, Inc. Form of Nonstatutory Option Agreement as amended December 2006. Filed as Exhibit 10.5 to Smith's report on Form 10-K for the year ended December 31, 2006 and incorporated herein by reference.
10.4+	Smith International, Inc. Form of Restricted Stock Unit Agreement as amended December 2005. Filed as Exhibit 10.4 to Smith's report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference.
10.5+	Smith International, Inc. Form of Restricted Stock Unit Agreement as amended December 2006. Filed as Exhibit 10.7 to Smith's report on Form 10-K for the year ended December 31, 2006 and incorporated herein by reference.
10.6+	Smith International, Inc. Form of Restricted Stock Unit Agreement as amended December 2007. Filed as Exhibit 10.6 to the Company's report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.
10.7+	Smith International, Inc. Form of Performance-Based Restricted Stock Unit Agreement as amended December 2005. Filed as Exhibit 10.5 to Smith's report on Form 10-K for the year ended December 31, 2005 and incorporated herein by reference.
10.8+	Smith International, Inc. Form of Performance-Based Restricted Stock Unit Agreement as amended December 2006. Filed as Exhibit 10.9 to Smith's report on Form 10-K for the year ended December 31, 2006 and incorporated herein by reference.
10.9+	Smith International, Inc. Form of Performance-Based Restricted Stock Unit Agreement as amended December 2007. Filed as Exhibit 10.9 to the Company's report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.
10.10+	Director Compensation Summary of Smith International, Inc. effective January 1, 2008. Filed as Exhibit 10.10 to the Company's report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.
10.11+	Smith International, Inc. Supplemental Executive Retirement Plan, as amended to date. Filed as Exhibit 10.1 to Smith's report on Form 10-Q for the quarter ended September 30, 2001 and incorporated herein by reference.
10.12+	Smith International, Inc. Amended and Restated Post-2004 Supplemental Executive Retirement Plan effective as of January 1, 2006. Filed as Exhibit 10.13 to Smith's report on Form 10-K for the year ended December 31, 2006 and incorporated herein by reference.
10.13+	Smith International, Inc. Amended and Restated Executive Officer Annual Incentive Plan effective as of January 1, 2008, dated October 17, 2007. Filed as Exhibit 10.13 to the Company's report on Form 10-K for the year ended December 31, 2007 and incorporated herein by reference.
10.14+	

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Employment Agreement dated December 10, 1987 between Smith and Douglas L. Rock. Filed as Exhibit 10.11 to Smith's report on Form 10-K for the year ended December 31, 1993 and incorporated herein by reference.

- 10.15+ Employment Agreement dated December 10, 1987 between Smith and Bryan L. Dudman. Filed as Exhibit 10.13 to Smith's report on Form 10-K for the year ended December 31, 1993 and incorporated herein by reference.
- 10.16+ Change-of-Control Employment Agreement dated January 4, 2000 between Smith and Douglas L. Rock. Filed as Exhibit 10.11 to Smith's report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.
- 10.17+ Change-of-Control Employment Agreement dated January 4, 2000 between Smith and Loren K. Carroll. Filed as Exhibit 10.14 to Smith's report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.
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Exhibit Number	Description of Exhibit
10.18+	Change-of-Control Employment Agreement dated January 4, 2000 between Smith and Margaret K. Dorman. Filed as Exhibit 10.15 to Smith's report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.
10.29+	Change-of-Control Employment Agreement dated January 4, 2000 between Smith and John J. Kennedy. Filed as Exhibit 10.16 to Smith's report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.
10.20+	Change-of-Control Employment Agreement dated May 15, 2005 between Smith and Michael Pearce. Filed as Exhibit 10.1 to Smith's report on Form 8-K dated May 15, 2005 and incorporated herein by reference.
10.21+	Form of Change-of-Control Employment Agreement as of April 2006. Filed as Exhibit 10.2 to Smith's report on Form 8-K dated April 25, 2006 and incorporated herein by reference.
10.22+	Form of Employment Agreement for Advisors as of April 2006. Filed as Exhibit 10.3 to Smith's report on Form 8-K dated April 25, 2006 and incorporated herein by reference.
10.23	Credit Agreement dated as of May 5, 2005 among Smith and M-I L.L.C., the Lenders From Time to Time Party Thereto and Comerica Bank, as Administrative Agent, ABN AMRO Bank N.V., as Syndication Agent, Den Norske Bank ASA, as Documentation Agent, and Calyon New York Branch and RBS Securities Corporation, as Co-Lead Arrangers and Joint Bookrunners. Filed as Exhibit 10.1 to Smith's report on Form 10-Q for the quarter ended March 31, 2005 and incorporated herein by reference.
10.24+	Form of Director Indemnification Agreement as of February 28, 2007. Filed as Exhibit 10.28 to Smith's report on Form 10-K for the year ended December 31, 2006 and incorporated herein by reference.
10.25+	Letter Agreement on Non-Competition between Smith and Loren K. Carroll dated May 9, 2008 filed herewith. Filed as Exhibit 10.1 to Smith's report on Form 10-Q for the Quarter ended March 31, 2008 and incorporated herein by reference.
21.1	Subsidiaries of Smith. Filed as Exhibit 21.1 to Smith's report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.
23.1**	Consent of Deloitte & Touche LLP.
23.2*	Consent of Grant Thornton LLP.
23.3*	Consent of Wachtell, Lipton, Rosen & Katz for form of opinion regarding legality of securities being registered (included as part of its form of opinion filed as Exhibit 5.1 and incorporated herein by reference).
99.1	Opinion of UBS (incorporated by reference to Annex C of this Registration Statement)

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- 99.2* Consent of UBS
- 99.3* Form of Letter of Election and Transmittal.
- 99.4* Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- 99.5* Form of Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- 99.6* Guidelines for Certification of Taxpayer Identification Number (TIN) on Substitute Form W-9.
- 99.7* Form of Summary Advertisement Published in the *New York Times* on June 24, 2008.

"font-family:times;"> \$938,051

Long-Term Incentives

Stock Options (Unvested and Accelerated or Continued Vesting)⁽²⁾

\$1,054,238 \$3,825,116 \$3,825,116

Restricted Stock Units (Unvested and Accelerated or Continued Vesting)⁽²⁾

\$317,123 \$553,927 \$553,927

Performance Stock Units (Unvested and Accelerated or Continued Vesting)⁽³⁾

\$2,755,017 \$4,728,855 \$4,728,855

Benefits and Perquisites⁽⁴⁾

Health and Welfare Benefits Continuation⁽⁵⁾

\$13,846 \$13,846

Outplacement⁽⁶⁾

\$20,000 \$20,000

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Executive Benefits and Payments Upon Termination	Retirement ⁽⁷⁾	Total Permanent Disability or Death	Involuntary Termination Not for Cause	Involuntary Termination Change in Control ⁽⁹⁾
Steven T. Merkt				
Compensation				
Consideration for restrictive covenants ⁽⁸⁾			\$ 1,121,840	\$ 1,121,840
Short-Term Incentive ⁽¹⁾		\$ 933,977		
Long-Term Incentives				
Stock Options (Unvested and Accelerated or Continued Vesting) ⁽²⁾		\$ 3,264,278		\$ 3,264,278
Restricted Stock Units (Unvested and Accelerated or Continued Vesting) ⁽²⁾		\$ 2,881,933		\$ 2,881,933
Performance Stock Units (Unvested and Accelerated or Continued Vesting) ⁽³⁾		\$ 4,005,735		\$ 4,005,735
Benefits and Perquisites ⁽⁴⁾				
Health and Welfare Benefits Continuation ⁽⁵⁾			\$ 13,846	\$ 13,846
Outplacement ⁽⁶⁾			\$ 20,000	\$ 20,000
John S. Jenkins, Jr.				
Compensation				
Consideration for restrictive covenants ⁽⁸⁾			\$ 1,020,192	\$ 1,020,192
Short-Term Incentive ⁽¹⁾				
Long-Term Incentives		\$ 763,572		
Stock Options (Unvested and Accelerated or Continued Vesting) ⁽²⁾		\$ 2,319,532		\$ 2,319,532
Restricted Stock Units (Unvested and Accelerated or Continued Vesting) ⁽²⁾		\$ 563,811		\$ 563,811
Performance Stock Units (Unvested and Accelerated or Continued Vesting) ⁽³⁾		\$ 2,884,092		\$ 2,884,092
Benefits and Perquisites ⁽⁴⁾				
Health and Welfare Benefits Continuation ⁽⁵⁾			\$ 13,846	\$ 13,846
Outplacement ⁽⁶⁾			\$ 20,000	\$ 20,000

(1) Assumes the effective date of termination is September 29, 2017 and that the pro rata payment under the annual incentive program is equal to the actual award earned for fiscal year 2017.

(2) Assumes the effective date of termination is September 29, 2017 and the closing price per TE Connectivity common share on the date of termination equals \$83.06. Under Total Permanent Disability or Death, and Involuntary Termination Change in Control, all outstanding stock options and RSUs become fully vested as of the date of termination, including dividend equivalent units issued on RSUs. Stock options that are vested and exercisable as of the termination date, as well as the options that vest as a result of the acceleration, will be exercisable for the lesser of the period specified in the option agreement or three years from the termination date. In no event, however, will an option be exercisable beyond its original expiration date. Amounts disclosed for stock options only reflect options that are in-the-money as of September 29, 2017.

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- (3) Assumes the effective date of termination is September 29, 2017 and the closing price per TE Connectivity common share on the date of termination equals \$83.06. Under Total Permanent Disability or Death, and Involuntary Termination Change in Control, all outstanding PSUs granted prior to fiscal year 2016 vest on a pro rata basis following certification of performance results, including dividend equivalent units issued on PSUs. The shares to vest are prorated based on the termination date, and delivery of vested shares occurs as soon as administratively feasible following the certification process, and any remaining PSUs are immediately forfeited. Under Total Permanent Disability or Death, and Involuntary Termination Change in Control, all outstanding PSUs granted during fiscal years 2016 and 2017, including dividend equivalent units issued on PSUs, vest in full at the target share amounts granted.
- (4) Payments associated with benefits and perquisites are limited to the items listed. No other benefits or perquisite continuation occurs under the termination scenarios listed.
- (5) Health and welfare benefits continuation is 12 months for all named executive officers under Involuntary Termination Not for Cause and Involuntary Termination Change in Control. Annual amount is an approximation based on the fiscal year 2017 per capita employee cost. In the event that provision of any of the benefits would adversely affect the tax status of the applicable plan or benefits, the company, in its sole discretion, may elect to pay to the participant cash in lieu of such coverage in an amount equal to the company's premium or average cost of providing such coverage.

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- (6) Outplacement is calculated as the cost of services for the participant for a period of twelve months from the participant's termination date under Involuntary Termination Change in Control. The company offers twelve month coverage not to exceed \$20,000 for executives under the executive program for outplacement services.
- (7) As of September 29, 2017, Messrs. Lynch and Donahue satisfy the requirements for Retirement under our stock award plan and are entitled to a pro rata vesting of their outstanding stock options, PSUs and RSUs for those grants where a minimum of one year of service has been attained since the award grant date. Amounts disclosed represent the prorated value of eligible awards as of September 29, 2017. Messrs. Curtin, Mitts, Merkt, and Jenkins are not entitled to receive any pro rata vesting because they have not fulfilled the Retirement eligibility requirements under the terms of our stock award plan.
- (8) For consideration of restrictive covenants, including non-compete for one year and non-solicitation for two years post termination, the executive employment agreements provide for payments equal to one times base pay and one times target bonus.
- (9) Executive employment agreements provide for continued base pay plus actual bonus and continued equity vesting for twelve months post notification for Involuntary Termination Not for Cause and Involuntary Termination Change in Control.

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Compensation paid during fiscal 2017 to each director who is not our salaried employee or an employee of our subsidiaries was based on the following fee structure:

	Fee Structure Effective October, 2016 ⁽¹⁾	
	Cash	Equity
Annual retainer	\$ 90,000	\$ 185,000
Additional annual fees:		
Lead Independent Director	\$ 40,000	
Audit Committee Chair	\$ 25,000	
Audit Committee Member	\$ 10,000	
Nominating, Governance & Compliance Committee Chair	\$ 15,000	
Management, Development & Compensation Committee Chair	\$ 20,000	
Science Advisory Board Retainer	\$ 10,000	

(1) The table above reflects full year fee structures that were in effect during fiscal 2017. The fee structure reflects an increased equity retainer, and an increased fee for our Lead Independent Director over fiscal 2016. The fee structure also reflect a new retainer for one board member who has additional responsibilities with the Science Advisory Board approved June 2017. All other fees remained the same. Our board members are also reimbursed for expenses incurred in attending board and committee meetings or performing other services for us in their capacities as directors. Such expenses include food, lodging and transportation.

In addition to the compensation described above, our board governance principles encourage directors to attend certain continuing education courses that are related to their duties as directors and provide that we will reimburse the costs associated with attending one course every two years. TE Connectivity will also provide company matching gift contributions on behalf of certain directors under TE Connectivity's matching gift program up to a maximum of \$10,000 per year.

Each non-employee director received the equity component of their compensation in the form of a grant of common shares of TE Connectivity Ltd., except for Dr. Gromer, who received the equity component of his compensation in the form of deferred stock units ("DSUs"). Under current U.S. tax law, our U.S.-based non-employee directors cannot defer any portion of their compensation, including DSUs, and therefore, they were issued common shares (which are immediately taxable) in lieu of DSUs. Because Dr. Gromer is a German citizen, he received his equity compensation in the form of DSUs. DSUs awarded to Dr. Gromer vested immediately upon grant, and per the terms of the award were paid in common shares within 30 days following his retirement from the Board of Directors. Dividend equivalents or additional DSUs are credited to a non-employee director's DSU account when dividends or distributions are paid on our common shares.

Fiscal year 2018 compensation for non-employee directors will be the same as fiscal year 2017. Following Mr. Lynch's retirement as Executive Chairman of the Company on March 14, 2018, he has been nominated to continue on the Board of Directors as Non-Executive Chairman. If elected, Mr. Lynch will receive compensation as a non-employee member of the Board. In addition under the terms of the TE Connectivity Ltd. 2007 Stock and Incentive Plan, Mr. Lynch will continue to vest in outstanding long-term equity incentive awards until such time as his service on the Board ends.

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The following table discloses the cash and equity awards paid to each of our non-employee directors during the fiscal year ended September 29, 2017.

Name	Fees Earned or Paid in Cash ⁽¹⁾ (\$) (b)	Stock Awards ⁽²⁾ (\$) (c)	All Other Compensation ⁽³⁾ (\$) (g)	Total (\$) (h)
Pierre R. Brondeau	\$ 145,000	\$ 195,348	\$ 19,594	\$ 359,942
John Davidson	\$ 100,000	\$ 195,348	\$ 7,996	\$ 303,344
Juergen W. Gromer ⁽⁴⁾	\$ 41,667	\$ 97,707	\$ 32,251	\$ 171,625
William A. Jeffrey	\$ 100,000	\$ 195,348	\$ 3,995	\$ 299,343
Yong Nam	\$ 90,000	\$ 195,348		\$ 285,348
Daniel J. Phelan	\$ 110,000	\$ 195,348	\$ 24,594	\$ 329,942
Paula A. Sneed	\$ 90,000	\$ 195,348	\$ 29,998	\$ 315,346
Abhijit Y. Talwalkar ⁽⁵⁾	\$ 58,333	\$ 106,829	\$ 47,996	\$ 213,158
Mark C. Trudeau	\$ 100,000	\$ 195,348		\$ 295,348
John C. Van Scoter	\$ 90,000	\$ 195,348	\$ 10,482	\$ 295,830
Laura H. Wright	\$ 115,000	\$ 195,348	\$ 12,996	\$ 323,344

(1) The amounts shown represent the amount of cash compensation earned in fiscal year 2017 for Board and committee services. Dr. Brondeau received additional fees for his work as Lead Independent Director. Dr. Brondeau, Mr. Phelan and Ms. Wright each received additional fees for their role as chairs of the Nominating, Governance and Compliance Committee, the Management Development and Compensation Committee and the Audit Committee, respectively. Dr. Jeffrey received an additional fee for his role on the Science Advisory Board. For fiscal year 2017 Messrs. Davidson and Trudeau received for the full year an additional cash retainer for serving on the audit committee, Dr. Gromer received an additional audit committee cash retainer for serving on the committee for quarter one and two months of quarter two. Mr. Talwalkar received an additional audit committee cash retainer for one month of quarter two and the last two full quarters of fiscal year 2017.

(2) On November 14, 2016, Dr. Brondeau, Mr. Davidson, Dr. Jeffrey, Mr. Nam, Mr. Phelan, Ms. Sneed, Mr. Trudeau, Mr. Van Scoter and Ms. Wright each received a grant of 2,927 common shares. Dr. Gromer received an award of 1,464 DSUs. In determining the number of common shares and DSUs to be issued, we used the average daily closing price for the 20-day period prior to the grant date (\$63.20 per share), the same methodology used to determine employee equity awards. The grant date fair value of these awards, as shown above for fiscal year 2017, was calculated by using the closing price of TE Connectivity Ltd. common shares on the date of grant (\$66.74 per share). On March 9, 2017, Mr. Talwalkar received a grant of 1,438 common shares. In determining the number of common shares to be issued, we used the average daily closing price for the 20-day period prior to the grant date (\$75.06 per share), the same methodology used to determine employee equity awards. The grant date fair value of these awards, as shown above for fiscal year 2017, was calculated by using the closing price of TE Connectivity Ltd. common shares on the date of grant (\$74.29 per share). The common shares and DSUs vested immediately and non-employee directors receive dividend equivalents in connection with any DSU award granted to them. On December 13, 2017, pursuant to U.S. tax law, we settled the DSUs for common shares on a one-for-one basis in the following amounts: Dr. Brondeau 12,930; Mr. Phelan 12,930; Ms. Sneed 15,871; Mr. Van Scoter 6,925. This DSU settlement is with respect to shares that had been deferred under a previous deferred stock unit program.

(3) The amounts shown represent the value of dividend equivalent units earned on current and prior DSU awards calculated using the market value on the date of the dividend, company matching gift contributions made on behalf of Messrs. Davidson and Phelan and Ms. Wright under TE

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Connectivity's matching gift program, and amounts reimbursed to Ms. Sneed, Dr. Jeffrey, Ms. Wright, Mr. Davidson and Mr. Talwalkar for expenses incurred while attending a continuing education course. The amount reported for Dr. Gromer is the dividend equivalent unit amount earned on his DSU awards. In fiscal 2017 Mr. Talwalkar received fees, in the amount of \$45,000, pursuant to a board consulting agreement which allowed Mr. Talwalkar to attend Board meetings prior to being elected as a director by shareholders in preparation for his proposed director role.

(4) Dr. Gromer left the board effective March 8, 2017. Cash compensation was pro-rated for his service during fiscal year 2017.

(5) On March 8, 2017, Mr. Talwalkar was elected to our Board of Directors. Cash compensation for Mr. Talwalkar was pro-rated for his service during fiscal year 2017.

Charitable Contributions

Our Board Governance Principles require that the Nominating, Governance and Compliance Committee approve all charitable donations by TE Connectivity to organizations associated with a director. The amount of any such donation is limited to an amount annually that is less than the greater of \$1 million or 2% of such tax exempt organization's consolidated gross revenues. Furthermore, charitable director matching gift donations by TE Connectivity are limited to matching donations in an amount no greater than the amount contributed by the Director, and consistent with TE Connectivity's employee matching gift program.

TE Connectivity's Political Action Committee Charitable Match Program

TE Connectivity matches fifty cents for each dollar contributed by a director to the TE Connectivity, Inc. Political Action Committee (TELPAC). This match may be designated by the director to an eligible public charity of their choice. Eligible organizations include, but are not limited to: colleges, private universities, private and public elementary and secondary schools, civic, arts and culture, health and human service agencies, and environmental organizations.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

All relationships and transactions in which the company and our directors and executive officers or their immediate family members are participants were reviewed to determine whether such persons have a direct or indirect material interest. As required under SEC rules, transactions that are determined to be directly or indirectly material to a related person are disclosed in the company's proxy statement. In addition, we have adopted a written policy with respect to related person transactions pursuant to which the Nominating, Governance and Compliance Committee reviews and approves or ratifies any related person transaction that is required to be disclosed. In the course of its review and approval or ratification of a disclosable related person transaction, the committee considers whether the transaction is fair and reasonable to the company and will take into account, among other factors it deems appropriate:

whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances;

the extent of the related person's interest in the transaction and the materiality of the transaction to the company;

the related person's relationship to the company;

the material facts of the transaction, including the proposed aggregate value of the transaction;

the business purpose for and reasonableness of the transaction, taken in the context of the alternatives available to the company for attaining the purposes of the transaction;

whether the transaction is in the ordinary course of the company's business and was proposed and considered in the ordinary course of business; and

the effect of the transaction on the company's business and operations, including on the company's internal control over financial reporting and system of disclosure controls or procedures, and any additional conditions or controls (including reporting and review requirements) that should be applied to such transaction.

Any member of the committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction, provided, however, that such director may be counted in determining the presence of a quorum at a meeting at which the committee considers the transaction.

Mark Trudeau, a director, is the President and Chief Executive Officer of Mallinckrodt plc to which TE Connectivity made \$0.18 million in sales during fiscal year 2017. Such transactions were arms-length commercial dealings between the companies, none of which are material individually or in the aggregate. The committee has reviewed and approved or ratified these transactions.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act requires TE Connectivity's executive officers and directors and persons who beneficially own more than ten percent of TE Connectivity's common shares to file electronically reports of ownership and changes in ownership of such common shares with the SEC and NYSE. These persons are required by SEC regulations to furnish TE Connectivity with copies of all Section 16(a) forms they file. As a matter of practice, TE Connectivity's administrative staff assists TE Connectivity's executive officers and directors in preparing initial reports of ownership and reports of changes in ownership and files those reports on their behalf. Based on TE Connectivity's review of such forms, as well as information provided and representations made by the reporting persons, TE Connectivity believes that all of its executive officers, directors and beneficial owners of more than ten percent of its common shares complied with the reporting requirements of Section 16(a) during TE Connectivity's fiscal year ended September 29, 2017, other than one late Form 4 filing for John C. Van Scoter to report one transaction.

AUDIT COMMITTEE REPORT

The information contained in the report below 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 future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the company specifically incorporates it by reference in such filing.

During our fiscal year ended September 29, 2017, the Audit Committee of the Board was comprised of four directors. Laura H. Wright served as chair for the full year. Carol A. Davidson and Mark C. Trudeau served as members for the entire year. Juergen W. Gromer served as a member of the Committee through March 8, 2017. Abhijit Y. Talwalkar became a member of the Committee on March 8, 2017. The Board of Directors determined that each of the members of the Audit Committee met the independence and experience requirements of the NYSE and applicable federal regulations. In addition, Ms. Wright and Messrs. Davidson and Trudeau were determined by the Board to be audit committee financial experts.

The Audit Committee operates under a charter approved by the Board of Directors. A summary description of the duties and powers of the Audit Committee can be found in "The Board of Directors and Board Committees" section of this proxy statement. The Audit Committee oversees the company's financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements and the reporting process, assures that the company develops and maintains adequate financial controls and procedures, and monitors compliance with these processes. The company's independent registered public accounting firm (the "independent auditor") is responsible for performing an audit of the consolidated year-end financial statements in accordance with the standards of the Public Company Accounting Oversight Board ("PCAOB") (United States) to obtain reasonable assurance that the company's consolidated financial statements are free from material misstatement and expressing an opinion on the conformity of the financial statements with accounting principles generally accepted in the United States. The company's Swiss registered auditor is responsible for performing an audit of the statutory financial statements of TE Connectivity Ltd. prepared in accordance with Swiss law and the company's articles of association. The internal auditors are responsible to the Audit Committee and the Board for testing the integrity of the financial accounting and reporting control systems and such other matters as the Audit Committee and Board determine. The company's special auditor is responsible for delivering reports in accordance with Swiss law confirming that the receivables of the creditors of the company will be fully covered by assets after giving effect to any reductions of capital in connection with shareholders' approvals of distributions to shareholders in the form of capital reductions or under other circumstances.

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In this context, the Audit Committee has reviewed the consolidated financial statements in TE Connectivity's Annual Report on Form 10-K for the fiscal year ended September 29, 2017. The Committee held discussions with management, the internal auditors, the independent auditor and the Swiss registered auditor concerning the consolidated financial statements, as well as the independent auditor's and Swiss registered auditor's opinions thereon. The Committee also discussed with management, the internal auditors and the independent auditor the report of management and the independent auditor's opinion regarding the company's internal control over financial reporting required by Section 404 of the Sarbanes-Oxley Act of 2002. Management represented to the Committee that the company's consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States. The Audit Committee reviewed and discussed the statutory financial statements of TE Connectivity Ltd. with management, the internal auditors and the Swiss registered auditor, as well as the Swiss registered auditor's opinion thereon. The Committee routinely reviewed and discussed with management and the Ombudsman any concerns from employees or external constituencies (including investors, suppliers and customers) about the company's accounting, internal accounting controls or auditing matters.

The Committee discussed with the independent auditor all communications required by auditing standards of the PCAOB (United States). In addition, the Committee discussed with the independent auditor the auditor's independence from TE Connectivity and its management, including the matters in the letter received from the independent auditor regarding the independent auditor's communications with the Audit Committee concerning independence.

Based upon the Committee's review and discussions referred to above, the Committee recommended that the Board include the company's audited consolidated financial statements in TE Connectivity's Annual Report on Form 10-K for the fiscal year ended September 29, 2017 filed with the Securities and Exchange Commission. The Committee further recommended that the audited statutory financial statements of TE Connectivity Ltd., together with the company's audited consolidated financial statements, be included in the company's Annual Report to Shareholders for the fiscal year ended September 29, 2017.

The Audit Committee:

Laura H. Wright, Chair
Carol A. Davidson
Abhijit Y. Talwalkar
Mark C. Trudeau

December 6, 2017

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AGENDA ITEM NO. 4 ELECTION OF THE INDEPENDENT PROXY

Motion Proposed by the Board of Directors

Our Board of Directors proposes that Dr. René Schwarzenbach, of Proxy Voting Services GmbH, or another individual representative of Proxy Voting Services GmbH if Dr. Schwarzenbach is unable to serve at the meeting, be elected to serve as the independent proxy at our 2019 annual general meeting of shareholders and also at any shareholder meeting that may be held prior to the 2019 annual general meeting.

Explanation

Under Swiss law, our shareholders must elect an independent proxy to serve as a voting proxy at our shareholder meetings for shareholders who wish to vote at the meeting by proxy. The main task of the independent proxy is to vote shares held by shareholders of record at the shareholder meeting if instructed to do so by the shareholder. The independent proxy will vote the shares as instructed by the shareholder. If the shareholder authorized the independent proxy to vote the shareholders' shares without giving instructions, the independent proxy will abstain from voting the shares.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 4.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 4.

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**AGENDA ITEM NO. 5 APPROVAL OF THE ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 29, 2017**

Agenda Item No. 5.1 Approval of the 2017 Annual Report of TE Connectivity Ltd. (excluding the statutory financial statements for the fiscal year ended September 29, 2017, the consolidated financial statements for the fiscal year ended September 29, 2017 and the Swiss Compensation Report for the fiscal year ended September 29, 2017)

Motion Proposed by the Board of Directors

Our Board of Directors proposes that the 2017 Annual Report of TE Connectivity Ltd. (excluding the statutory financial statements for the fiscal year ended September 29, 2017, the consolidated financial statements for the fiscal year ended September 29, 2017 and the Swiss Compensation Report for the fiscal year ended September 29, 2017) be approved.

Explanation

Our 2017 Annual Report, which accompanies this proxy statement, includes the statutory financial statements of TE Connectivity Ltd. (which do not consolidate the results of operations for our subsidiaries) for the fiscal year ended September 29, 2017 and the TE Connectivity Ltd. consolidated financial statements for the fiscal year ended September 29, 2017, and contains the reports of our Swiss registered auditor and our independent registered public accounting firm, as well as information on our business and organization. Copies of our 2017 Annual Report and this proxy statement are available on the Internet at <http://www.te.com/TEAnnualMeeting>.

Under Swiss law, certain portions of our annual report must be submitted to shareholders for approval or disapproval at each annual general meeting. This agenda item must be submitted to shareholders for approval or disapproval in addition to the statutory financial statements and the consolidated financial statements, which are presented separately for approval as Agenda Items No. 5.2 and No. 5.3, respectively.

In the event of a negative vote on this agenda item by shareholders, the Board of Directors will call an extraordinary general meeting of shareholders for re-consideration of this agenda item by shareholders.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 5.1.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 5.1.

Agenda Item No. 5.2 Approval of the statutory financial statements of TE Connectivity Ltd. for the fiscal year ended September 29, 2017

Motion Proposed by the Board of Directors

Our Board of Directors proposes that the statutory financial statements of TE Connectivity Ltd. for the fiscal year ended September 29, 2017 be approved.

Explanation

TE Connectivity Ltd.'s statutory financial statements for the fiscal year ended September 29, 2017 are contained in our 2017 Annual Report, which accompanies this proxy statement. Our 2017 Annual

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Report also contains the report of our Swiss registered auditor with respect to the statutory financial statements of TE Connectivity Ltd.

Under Swiss law, our statutory financial statements must be submitted to shareholders for approval or disapproval at each annual general meeting.

In the event of a negative vote on this agenda item by shareholders, the Board of Directors will call an extraordinary general meeting of shareholders for re-consideration of this agenda item by shareholders.

Deloitte AG, Zurich, Switzerland, as our Swiss registered auditor, has issued an unqualified recommendation to the Annual General Meeting that the statutory financial statements of TE Connectivity Ltd. for the fiscal year ended September 29, 2017 be approved. As our Swiss registered auditor, Deloitte AG has expressed its opinion that the statutory financial statements for the fiscal year ended September 29, 2017 comply with Swiss law and our articles of association and has reported on other legal requirements. Representatives of Deloitte AG will attend the Annual General Meeting and will have an opportunity to make a statement if they wish. They also will be available to answer appropriate questions at the meeting.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 5.2.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 5.2.

Agenda Item No. 5.3 Approval of the consolidated financial statements of TE Connectivity Ltd. for the fiscal year ended September 29, 2017

Motion Proposed by the Board of Directors

Our Board of Directors proposes that the consolidated financial statements of TE Connectivity Ltd. for the fiscal year ended September 29, 2017 be approved.

Explanation

Our consolidated financial statements for the fiscal year ended September 29, 2017 are contained in our 2017 Annual Report, which accompanies this proxy statement. Our 2017 Annual Report also contains the report of our Swiss registered auditor with respect to the consolidated financial statements.

Under Swiss law, our consolidated financial statements must be submitted to shareholders for approval or disapproval at each annual general meeting.

In the event of a negative vote on this agenda item by shareholders, the Board of Directors will call an extraordinary general meeting of shareholders for re-consideration of this agenda item by shareholders.

Deloitte AG, Zurich, Switzerland, as our Swiss registered auditor, has issued an unqualified recommendation to the Annual General Meeting that the consolidated financial statements of TE Connectivity Ltd. for the fiscal year ended September 29, 2017 be approved. As our Swiss registered auditor, Deloitte AG has expressed its opinion that the consolidated financial statements present fairly, in all material respects, the financial position, the results of operations and the cash flows of TE Connectivity in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and comply with Swiss law and has reported on other legal requirements.

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Representatives of Deloitte AG will attend the Annual General Meeting and will have an opportunity to make a statement if they wish. They also will be available to answer appropriate questions at the meeting.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 5.3.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 5.3.

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**AGENDA ITEM NO. 6 RELEASE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND
EXECUTIVE OFFICERS FOR ACTIVITIES DURING THE FISCAL YEAR ENDED
SEPTEMBER 29, 2017**

Motion Proposed by the Board of Directors

Our Board of Directors proposes that shareholders release the members of the Board of Directors and executive officers of TE Connectivity from liability for their activities during the fiscal year ended September 29, 2017.

Explanation

As is customary for Swiss corporations and in accordance with article 698, subsection 2, item 5 of the Swiss Code of Obligations (the "Swiss Code"), shareholders are requested to release the members of the Board of Directors and the executive officers of TE Connectivity from liability for their activities during the fiscal year ended September 29, 2017. This release from liability claims brought by TE Connectivity or its shareholders against members of the Board of Directors and executive officers of TE Connectivity for activities carried out during the fiscal year ended September 29, 2017 is only effective with respect to facts that have been disclosed to shareholders. This release binds shareholders who either voted in favor of the agenda item or who subsequently acquired shares with knowledge of the resolution. Registered shareholders that do not vote in favor of this agenda item are not bound by the result for a period ending six months after the vote.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, not counting the votes of any director or executive officer of TE Connectivity, is required for approval of Agenda Item No. 6.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 6.

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Our Board of Directors proposes that our shareholders elect Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 28, 2018.

Explanation

The election of our independent registered public accounting firm is recommended by our Audit Committee to the Board of Directors for approval by our shareholders annually. The Audit Committee reviews both the audit scope and estimated fees for professional services for the coming year. The Audit Committee has recommended the ratification of the engagement of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 28, 2018.

Representatives of Deloitte & Touche LLP will attend the Annual General Meeting and will have an opportunity to make a statement if they wish. They also will be available to answer appropriate questions at the meeting.

Independent Auditor Fee Information

Aggregate fees for professional services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates as of and for the fiscal years ended September 29, 2017 and September 30, 2016 are set forth below. The aggregate fees included in the audit fees category are fees related to the fiscal years for the services described below, irrespective of when services are rendered. The aggregate fees included in each of the other categories are fees for services rendered in the fiscal years for the services described below. (All references to "\$" below are to United States dollars.)

Fiscal Years 2017 and 2016 Fees

	Fiscal Year 2017	Fiscal Year 2016
Audit Fees	\$ 14,769,000	\$ 14,241,000
Audit-Related Fees		456,000
Tax Fees	476,000	806,000
Other Fees	78,000	10,000
Total	\$ 15,323,000	\$ 15,513,000

Audit fees for the fiscal years ended September 29, 2017 and September 30, 2016 were for professional services rendered for the annual audits of the consolidated financial statements of the company including the audits of internal control over financial reporting, review of quarterly financial statements included in the company's quarterly reports on Form 10-Q, consents, registration statements, statutory audits and regulatory filings in foreign jurisdictions.

Audit related fees for the fiscal year ended September 30, 2016 were primarily for audits of carve-out financial statements.

Tax fees for the fiscal years ended September 29, 2017 and September 30, 2016 were primarily for tax compliance services.

Other fees for the fiscal years ended September 29, 2017 and September 30, 2016 were for subscriptions and miscellaneous advisory services.

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None of the services described above were approved by the Audit Committee under the de minimis exception provided by Rule 2-01(c)(7)(i)(C) under Regulation S-X.

Policy for the Pre-Approval of Audit and Non-Audit Services

The Audit Committee adopted a pre-approval policy that provides guidelines for the audit, audit-related, tax and other permissible non-audit services that may be provided by the independent auditor. The policy identifies the principles that must be considered by the Audit Committee in approving services to ensure that the auditor's independence is not impaired. The policy provides that the Corporate Controller will support the Audit Committee by providing a list of proposed services to the Audit Committee, monitoring the services and fees pre-approved by the Audit Committee, providing periodic reports to the Audit Committee with respect to pre-approved services and ensuring compliance with the policy.

Under the policy, the Audit Committee annually pre-approves the audit fee and terms of the engagement, as set forth in the audit engagement letter. These services may not extend for more than twelve months, unless the Audit Committee specifically provides for a different period. All audit-related services and non-audit tax services must be separately pre-approved by the Audit Committee. The independent auditor may not begin work on any engagement without confirmation of Audit Committee pre-approval from the Corporate Controller or his delegate.

In accordance with the policy, the Audit Committee may delegate one or more of its members the authority to pre-approve the engagement of the independent auditor when the entire Audit Committee is unable to do so. The chair must report all such pre-approvals to the Audit Committee at a future committee meeting.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 7.1.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 7.1.

Agenda Item No. 7.2 Election of Deloitte AG, Zurich, Switzerland as our Swiss registered auditor until our next annual general meeting

Motion Proposed by the Board of Directors

Our Board of Directors proposes that Deloitte AG, Zurich, Switzerland be elected as the company's Swiss registered auditor until our next annual general meeting.

Explanation

Under Swiss law, our shareholders must elect an independent Swiss registered public accounting firm. The Swiss registered auditor's main task is to audit our consolidated financial statements and the statutory financial statements of TE Connectivity. Our Board of Directors has recommended that Deloitte AG, Zurich, Switzerland, be elected as our Swiss registered auditor for our consolidated financial statements and the statutory financial statements of TE Connectivity Ltd.

Representatives of Deloitte AG will attend the Annual General Meeting and will have an opportunity to make a statement if they wish. They also will be available to answer appropriate questions at the meeting.

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For independent auditor fee information and information on our pre-approval policy of audit and non-audit services, see Agenda Item No. 7.1. See the Audit Committee Report included in this proxy statement for additional information about our Swiss registered auditors.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 7.2.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 7.2.

Agenda Item No. 7.3 Election of PricewaterhouseCoopers AG, Zurich, Switzerland as special auditing firm until our next annual general meeting

Motion Proposed by the Board of Directors

Our Board of Directors proposes that PricewaterhouseCoopers AG, Zurich, Switzerland be elected as our special auditing firm until our next annual general meeting.

Explanation

Under Swiss law, special reports by an auditor are required in connection with certain corporate transactions, including certain types of increases and decreases in share capital.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 7.3.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 7.3.

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AGENDA ITEM NO. 8 ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

Motion Proposed by the Board of Directors

Our Board of Directors proposes that shareholders approve, on an advisory (non-binding) basis, the compensation of our named executive officers. We explain this compensation pursuant to the compensation disclosure rules of the SEC in the Compensation Discussion and Analysis ("CD&A"), the Fiscal 2017 Summary Compensation table, and related tables and discussions in this proxy statement.

Explanation

This proposal gives shareholders the opportunity to cast a non-binding advisory vote to approve the compensation of our named executive officers. This vote often is referred to as "say-on-pay."

As described in our CD&A, which begins on page 32, TE Connectivity's executive compensation philosophy is designed to deliver competitive total compensation that will reward executives for achieving business unit and corporate performance objectives and will attract, motivate and retain leaders who will drive the creation of shareholder value. In order to implement that philosophy, the Management Development and Compensation Committee (the "MDCC") has established a disciplined process for adopting executive compensation programs and individual executive officer pay packages. Among other things, the MDCC analyzes competitive market data, reviews each executive officer's role and performance assessment, and consults with an independent compensation consultant.

Our executive compensation program has several features that were designed to ensure that compensation is consistent with TE Connectivity's executive compensation philosophy. The items highlighted below are described in more detail in the CD&A.

For fiscal year 2017, 50% of the value of each executive officer's annual long-term incentive award is in the form of stock options and 50% is in the form of performance stock units to drive long-term performance and alignment with shareholder interests.

Awards of stock options have a four-year vesting period, and awards of performance stock units have a three-year cliff vesting period, to further emphasize long-term performance and executive officer commitment.

Our annual incentive plan incorporates four financial or operational performance metrics in order to properly balance risk with compensation incentives.

The annual incentive program incorporates a cap on the maximum payout to further manage risk and reduce the possibility of excessive payments.

Through our compensation risk assessment process, we have determined that our incentive compensation programs are not reasonably likely to create a material risk to the company.

Our Share Ownership and Retention Requirement Plan, together with the design of the long-term incentive awards, drives long-term executive stock ownership.

Our executive compensation philosophy emphasizes performance-based pay. The Pay Mix chart in the CD&A demonstrates that in fiscal year 2017, performance-based incentives constituted at least 77%, and as much as 87%, of compensation for the named executive officers. Similarly, since TE Connectivity became a public company in 2007, pay levels have been relatively low in fiscal years in which the company has not met its target performance measures and relatively high in years in which company performance has been strong.

We encourage shareholders to read the CD&A, which discusses in greater detail how our compensation policies and procedures align with our executive compensation philosophy. The MDCC

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believes that our executive compensation programs and executive officer pay levels are consistent with our executive compensation philosophy, fully support the goals of that philosophy, and provide an appropriate balance between risk and incentives.

We are asking our shareholders to indicate their support for our named executive officer compensation as described in this proxy statement.

Text of the Shareholder Resolution

IT IS RESOLVED, that shareholders of TE Connectivity Ltd. approve, on an advisory basis, the compensation of the named executive officers of the company, as disclosed in the proxy statement for the 2018 Annual General Meeting pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Fiscal 2017 Summary Compensation table, and the other related tables and discussions.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required to approve Agenda Item No. 8. The vote is not binding on the company, the MDCC or our Board. Nevertheless, our Board and the MDCC value the opinions of our shareholders and we will consider those opinions when designing compensation programs and individual executive compensation packages.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 8.

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**AGENDA ITEM NO. 9 BINDING VOTE TO APPROVE FISCAL YEAR 2019
MAXIMUM AGGREGATE COMPENSATION AMOUNT FOR
EXECUTIVE MANAGEMENT**

Motion Proposed by the Board of Directors

Our Board of Directors proposes that shareholders approve \$48.1 million as the maximum aggregate compensation that can be paid, granted or promised to the members of Executive Management in fiscal year 2019.

Explanation

The proposal described in this Agenda Item No. 9 gives shareholders the opportunity to approve, in accordance with Swiss Ordinance Against Excessive Compensation, on a binding basis, the maximum aggregate amount of compensation that can be paid, granted or promised to the members of Executive Management for our fiscal year ending September 27, 2019 ("fiscal year 2019"). The members of Executive Management as of January 1, 2018 include the following senior executives: Terrence R. Curtin, Thomas J. Lynch, John S. Jenkins, Jr., Shad Kroeger, Steven T. Merkt, Heath A. Mitts, Timothy J. Murphy, Kevin N. Rock and Joan E. Wainwright (see position titles on page 30).

The general principles of the company's executive compensation program are described in article 25 of our articles of association. A more detailed description of our executive compensation programs currently in effect and the actual amounts paid to the Chief Executive Officer and other named executive officers for fiscal year 2017 are described in our Compensation Discussion & Analysis ("CD&A"), which begins on page 32. As described more fully in the CD&A, the Management Development and Compensation Committee has established and follows a disciplined process in adopting our executive compensation programs and in making individual executive compensation determinations. That process has been followed since the company came into existence as a publicly-traded company in fiscal year 2007, has been followed in fiscal year 2018 and we expect will continue to be followed in fiscal year 2019 and beyond. We urge our shareholders to read our articles of association and the CD&A to understand our executive compensation philosophy and process when considering this proposal.

In addition, shareholders have had the opportunity since 2011 under U.S. law to cast a non-binding advisory vote to approve the compensation paid to our named executive officers, although that approval is for compensation paid in the business year preceding the Annual General Meeting of Shareholders. Shareholders should understand that U.S. proxy rules require disclosure of the compensation of our named executive officers and a non-binding shareholder vote on the compensation paid to those named executive officers. Our shareholders have consistently voiced their strong support for the company's executive compensation programs, providing approval of the non-binding proposals in each year since 2011, the year that the non-binding shareholder advisory vote requirement became effective. For fiscal year 2016, the shareholder approval level was 94.82%. The non-binding advisory vote required under U.S. law is still in effect, so our shareholders are again provided the opportunity to cast a non-binding advisory vote to approve the compensation paid to the named executive officers in fiscal year 2017, as is more fully discussed in Agenda Item No. 8.

The Swiss Ordinance requires a binding shareholder vote for the aggregate compensation of the members of Executive Management listed above. At the 2017 Annual General Meeting, shareholders approved the maximum aggregate compensation amounts to be paid to executive management for fiscal 2018 with 98.79% of votes cast.

For fiscal year 2019, we ask that shareholders approve maximum aggregate compensation that can be paid, granted or promised to the members of Executive Management in an amount not to exceed \$48.1 million. Our shareholders should understand that this amount is the maximum amount that the

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company can pay, grant or promise to its Executive Management (other than additional amounts that may be payable to persons who newly assume Executive Management functions or who are promoted within Executive Management during fiscal year 2019) and has been calculated using very conservative assumptions in order to provide the Board and company management wide flexibility to reward extremely superior performance across all businesses and to address unforeseen circumstances that might arise during fiscal year 2019. The table below provides insight to our maximum amounts of compensation that could have been and were paid, granted or promised in the last fully completed fiscal year (fiscal year 2017), the maximum amounts approved to be paid, granted or promised for the 2018 fiscal year and our estimates for maximum compensation levels for the 2019 fiscal year. The footnote provides insight into the assumptions we have used to make the estimates.

	Fiscal Year 2017 Maximum Approved \$ million	Fiscal Year 2017 Actual \$ million	Fiscal Year 2018 Maximum Approved \$ million	Fiscal Year 2019 Maximum Requested \$ million ⁽¹⁾	Comment
Total Compensation	\$ 59.5	\$ 43.6	\$ 57.6	\$ 48.1	Reflects a 16.5% decrease versus the Fiscal Year 2018 Maximum Approved

(1) Fiscal year 2019 maximum requested assumes a 3.5% salary increase budget; annual incentive based on the 2019 base salary amount and maximum payout at 200% of target (available only upon achievement of superior performance); total equity pool available for Executive Management assuming all grants are made at range maximum of 150% of target and additional compensation based on other compensation components as reported in the 2017 Proxy Statement. Actual annual incentive payouts are based on measures that support our strategic business objectives (which are approved by our Board of Directors). To achieve 200% payout, maximum performance objectives would need to be met. See page 44 of CD&A for additional details. Fiscal year 2019 maximum requested assumes Mr. Lynch retires as Executive Chairman of the Company on March 14, 2018 and will no longer be a member of Executive Management.

We do not anticipate that the aggregate amount paid to members of Executive Management in fiscal year 2019 will be at the maximum amount requested. Actual compensation paid to Executive Management in fiscal year 2017 was \$43.6 million (includes grant date fair value of fiscal year 2017 equity grants). For a description of the compensation paid, granted or promised to named executive officers in fiscal year 2017, please refer to the CD&A beginning on page 32. We anticipate fiscal year 2018 compensation to range between \$35.8 million and \$42.4 million (includes grant date fair value of fiscal year 2018 equity grants). Actual fiscal year 2018 level is dependent on our performance pursuant to our Annual Incentive Plan as described in the CD&A on pages 42-45. For fiscal year 2018, amounts paid to members of Executive Management have been or will be awarded under the same or substantially similar executive compensation programs and under substantially the same terms as those in effect in fiscal year 2017. For a description of the base salary adjustments and fiscal year 2018 long term equity awards granted to our current named executive officers, please refer to the CD&A beginning on page 41. The fiscal year 2018 annual incentive program has likewise been designed with terms and conditions substantially similar to the fiscal year 2017 program, with performance goals for fiscal year 2018 adjusted to reflect our fiscal year 2018 financial plan and strategic objectives. We expect to make fiscal year 2019 compensation awards in the same or substantially similar manner, utilizing our current executive compensation programs and setting performance goals to reflect our fiscal year 2019 financial plan and the strategic needs of the company for fiscal year 2019.

Consistent with past practice, we expect the total compensation paid to members of Executive Management for fiscal year 2019 to be adjusted for base salary increases and reflective of company performance. Assuming current projections for fiscal year 2019 and no unforeseen circumstances

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occurring, we expect that the total compensation paid to members of Executive Management for fiscal year 2019 will be in line with meeting targeted company performance objectives. Nonetheless, we request that our shareholders approve the maximum aggregate amount of \$48.1 million to assure that the board and management have the flexibility to award superior performance across all business units in fiscal year 2019 and/or to respond to unforeseen circumstances that may arise in fiscal year 2019.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required to approve Agenda Item No. 9.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 9.

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**AGENDA ITEM NO. 10 BINDING VOTE TO APPROVE FISCAL YEAR 2019
MAXIMUM AGGREGATE COMPENSATION AMOUNT FOR
THE BOARD OF DIRECTORS**

Motion Proposed by the Board of Directors

Our Board of Directors proposes that shareholders approve \$4.11 million as the maximum aggregate compensation that can be paid to the Board of Directors in fiscal year 2019.

Explanation

As required by the Swiss Federal Ordinance Against Excessive Compensation, the proposal described in this Agenda Item No. 10 gives shareholders the opportunity to approve, on a binding basis, the maximum aggregate amount of compensation that can be paid, granted or promised to the members of the Board of Directors for our fiscal year ending September 27, 2019 ("fiscal year 2019"). For purposes of this proposal, the Board of Directors refers only to the outside directors.

The general principles of the company's compensation program for the Board of Directors are described in article 25 of our articles of association. A more detailed description of our compensation programs currently in effect for the Board of Directors and the actual amounts paid to each member of the Board for fiscal year 2017 are described in our Compensation Discussion & Analysis ("CD&A"), which begins on page 66. The current program consists of (i) cash retainer amounts, (ii) equity retainer amounts, awarded in the form of company common shares, and (iii) other miscellaneous benefits. Basic retainer fees for Board members are the same, but additional retainer fees are paid to the Lead Independent Director, committee chairs, members of the Audit Committee and member of the Science Advisory Board.

For fiscal year 2019, we ask that shareholders approve \$4.11 million as the maximum aggregate compensation that can be paid, granted or promised to the Board of Directors. Our shareholders should understand that this amount is the maximum amount that the Company can pay, grant or promise to its Board of Directors in fiscal year 2019 and has been calculated based on the fiscal year 2018 Board compensation structure with an additional reserve to provide flexibility to make appropriate fee increases in fiscal year 2019 in light of competitive market practices. The maximum amount also assumes that Mr. Lynch will retire as Executive Chairman on March 14, 2018 and will be elected to continue on the Board of Directors as Non-Executive Chairman increasing our number of fiscal year 2019 full year directors from 10 to 11. The Board of Directors is very thoughtful in its approach to Director Fees and does not react on an annual basis to changes in market practice. Annual cash retainer fees were last adjusted in fiscal year 2014 and the equity retainer was adjusted in fiscal year 2017. For a description of the Board fees please refer to page 66.

Any additional increase in the number of directors and the director compensation paid to any new director would be presented for shareholder approval pursuant to the Swiss Code, the Swiss Ordinance Against Excessive Compensation and the Company's articles of association.

The table below first shows the aggregate compensation paid to the Board of Directors in fiscal year 2017 and the approved maximum aggregate compensation for fiscal year 2018. The table also shows our requests for maximum compensation levels for fiscal year 2019. It should be noted that the actual compensation for fiscal year 2017 included nine full year directors and two partial year directors. The approved maximum compensation level for fiscal year 2018 covered ten full year directors. The request for fiscal year 2019 covers the 11 full year directors who are nominated for election at our March 2018 Annual General Meeting.

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	Fiscal Year 2017 Approved \$ million (10 full year Directors)	Fiscal Year 2017 Actual \$ million (9 full year plus 2 partial year Directors) ⁽¹⁾	Fiscal Year 2018 Approved \$ million (10 full year Directors)	Fiscal Year 2019 Requested \$ million (11 full year Directors)
Total Compensation	\$ 3.64	\$ 3.20	\$ 3.64	\$ 4.11

(1) Values include grant date fair value of equity using the company's closing stock price on the date of grant. See pages 67-68 of Compensation of Non-Employee Directors for information.

We request that our shareholders approve the maximum aggregate amount of \$4.11 million to allow the company to have sufficient flexibility to implement any fee adjustments and/or to respond to unforeseen circumstances that may arise in fiscal year 2019.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required to approve Agenda Item No. 10.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 10.

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AGENDA ITEM NO. 11 CARRYFORWARD OF UNAPPROPRIATED ACCUMULATED EARNINGS

Motion Proposed by the Board of Directors

Our Board of Directors proposes that shareholders approve that our unappropriated accumulated earnings of CHF 49 million at September 29, 2017 be carried forward in available earnings.

Background

Under Swiss law, the appropriation of available earnings as set forth in our Swiss statutory financial statements must be submitted to shareholders for approval at each annual general meeting. At September 29, 2017, our balance sheet in our Swiss statutory financial statements reflected unappropriated accumulated earnings of CHF 49 million.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 11.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 11.

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AGENDA ITEM NO. 12 DECLARATION OF DIVIDEND

Motion Proposed by the Board of Directors

Our Board of Directors proposes (based on resolutions adopted on December 7, 2017) that shareholders resolve to make a dividend payment in the amount of \$1.76 per issued share out of reserves from capital contributions in our Swiss statutory accounts on the dates designated below in four equal quarterly installments of \$0.44 each to shareholders of record on the dates designated below, starting with the third fiscal quarter of 2018 and ending in the second fiscal quarter of 2019.

Explanation

The Board of Directors proposes that the company pay an ordinary cash dividend in the amount of \$1.76 per share out of reserves from capital contributions in our Swiss statutory accounts. Subject to the cap described below, payment of the dividend will be made in four equal quarterly installments of \$0.44, with the first installment to be paid on June 8, 2018 to shareholders of record at the close of business on May 25, 2018, the second installment to be paid on September 7, 2018 to shareholders of record at the close of business on August 24, 2018, the third installment to be paid on December 7, 2018 to shareholders of record at the close of business on November 23, 2018, and the fourth installment to be paid on March 8, 2019 to shareholders of record at the close of business on February 22, 2019. Dividend payments will be made with respect to our outstanding share capital on the record date for the applicable dividend payment. The reduction to our reserves from capital contributions in our Swiss statutory accounts, which is required to be made in Swiss francs, will be determined based on the aggregate amount of the dividend and will be calculated based on the USD/CHF exchange rate in effect on the date of the Annual General Meeting as published on the website of the Swiss National Bank.

If the proposal is approved, the U.S. dollar amount of the dividend will be capped at an amount such that the aggregate reduction to our reserves from capital contributions will not exceed CHF 1,260,000,000 (or approximately \$3.60 per share based on the USD/CHF exchange rate of CHF 0.9784 per \$1.00 in effect on January 8, 2018). To the extent that a dividend payment would exceed the cap, the U.S. dollar per share amount of the current or future dividends will be reduced on a pro rata basis so that the aggregate amount of all dividends paid does not exceed the cap. If the cap were reached, no further installment payments could then be made. In addition, the aggregate reduction in reserves from capital contributions will be increased for any shares issued, and decreased for any shares acquired, after the Annual General Meeting and before the record date for the applicable dividend installment payment.

Our statutory auditor, Deloitte AG, must confirm that the dividend proposal conforms with the requirements of the Swiss Code and our articles of association. The auditor's report will be available at the meeting.

Text of the Shareholder Resolution

IT IS RESOLVED, that a dividend of \$1.76 per share payable from reserves from capital contributions shall be distributed to the shareholders out of the reserves of TE Connectivity Ltd., to be paid to the shareholders in four equal quarterly installments of \$0.44, (1) on June 8, 2018 to the shareholders of record on May 25, 2018, (2) on September 7, 2018 to the shareholders of record on August 24, 2018, (3) on December 7, 2018 to the shareholders of record on November 23, 2018, and (4) on March 8, 2019 to the shareholders of record on February 22, 2019; the U.S. dollar amount of the dividend will be capped at an amount such that the aggregate reduction to our reserves from capital contributions will not exceed CHF 1,260,000,000, so that to the extent that a dividend payment would exceed the cap, the U.S. dollar per share amount of the

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current or future dividends will be reduced on a pro rata basis so that the aggregate amount of all dividends paid does not exceed the cap.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 12.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 12.

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AGENDA ITEM NO. 13 AUTHORIZATION RELATING TO SHARE REPURCHASE PROGRAM

Motion Proposed by the Board of Directors

Our Board of Directors proposes that the shareholders authorize TE Connectivity Ltd., according to its own discretion, to purchase under its share repurchase program shares of TE Connectivity Ltd. having an aggregate purchase price to the company of up to USD 1,500,000,000. The shares bought back under this authorization by TE Connectivity Ltd. may be held for cancellation and, if so held and cancelled, will not be subject to the 10% limitation for the aggregate par value of TE Connectivity Ltd. shares owned by the company and its subsidiaries under article 659 of the Swiss Code. The company intends to submit to shareholders at the 2019 annual general meeting of shareholders for cancellation (to the extent not previously submitted for cancellation) and a share capital reduction (amendment to articles of association) shares purchased by TE Connectivity Ltd. under this authorization through the fiscal quarter ending September 28, 2018 intended to be cancelled and, if any portion of the authorization remains outstanding at that date, shares purchased under the remaining portion intended to be cancelled would be submitted to shareholders for cancellation at subsequent annual general meetings, provided that the company could submit repurchased shares for cancellation at any extraordinary general meeting of shareholders held from time to time.

Explanation

By obtaining shareholders' approval of the share repurchase program authorization described above, as permitted under Swiss law, the company and its subsidiaries may purchase shares of TE Connectivity Ltd. that could exceed the 10% limitation for shares owned by the company and its subsidiaries set forth in the Swiss Code. The company announced in December 2017 that the Board of Directors had approved an additional USD 1,500,000,000 authorization under the company's share repurchase program which may be used by the company to repurchase shares up to the authorized amount in future periods. Shares bought back by any subsidiary of the company under the Board's authorization would not be submitted to shareholders for cancellation, although such shares, when aggregated with shares bought back by TE Connectivity Ltd., would not exceed the aggregate authorization approved by our Board of Directors. The two-step procedure described above, with the shareholders voting on the share repurchase program authorization at this Annual General Meeting, and deciding on the definitive cancellation of shares at a subsequent general meeting, has the advantage that, by obtaining shareholders' approval for the future cancellation of a maximum number of shares, as permitted under Swiss law, these shares may no longer fall within the statutory limit of the Swiss Code. This procedure thereby provides the company with greater flexibility for the company's capital management and return of value to shareholders.

Text of Shareholder Resolution

IT IS RESOLVED, that: (1) the meeting of shareholders authorizes TE Connectivity Ltd. to purchase under its share repurchase program shares of TE Connectivity Ltd. having an aggregate purchase price to the company of up to USD 1,500,000,000, (2) the shares bought back by TE Connectivity Ltd. under this authorization may be held for cancellation and, if so held and cancelled, will not be subject to the 10% limitation for the aggregate par value of TE Connectivity Ltd. shares owned by the company and its subsidiaries under article 659 of the Swiss Code of Obligations, (3) the legal reserves for treasury shares may be created by reclassifying unappropriated accumulated earnings, and (4) the amendment of the articles of association of TE Connectivity Ltd. (reduction of share capital in respect of the actual number of shares so held for cancellation) shall be submitted for approval to the annual general meeting of shareholders held in 2019 and, if necessary, the annual general meeting of shareholders held in future years, provided that the submission of repurchased shares for cancellation may be made at any extraordinary general meeting of shareholders held from time to time.

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Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 13.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 13.

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AGENDA ITEM NO. 14 RENEWAL OF AUTHORIZED CAPITAL

Motion Proposed by the Board of Directors

Our Board of Directors proposes that its authority to issue shares out of the company's authorized capital be reapproved and extended for an additional period ending two years after the date of the Annual General Meeting (March 14, 2020, assuming no postponement or adjournment of the Annual General Meeting), by the shareholders' approval of an amendment to article 5, paragraph 1 of our articles of association. This proposed amendment to article 5, paragraph 1 of our articles of association is set forth below under "Text of Shareholder Resolution."

Explanation

The Board of Directors believes it is advisable and in the best interests of the company to authorize the Board of Directors to be reauthorized to issue new authorized capital in accordance with the provisions of the Swiss Code and our articles of association. Our articles of association approved by our shareholders at our 2016 Annual General Meeting of Shareholders held on March 2, 2016 authorized our Board of Directors to issue new authorized capital at any time during the two-year period ending on March 2, 2018 (the second anniversary of such approval), and thereby increase the share capital, without shareholder approval, by a maximum amount of 50% of the share capital at the time of the increase. The Swiss Code provides that the shareholders may, by amendment to the articles of association, authorize the Board of Directors to increase the share capital for a period of no longer than two years from such approval. The amount of authorized capital set forth in article 5, paragraph 1 would be reduced during the two-year period ending on March 14, 2020 proportionately to any reduction to the company's total authorized share capital approved by the shareholders and effected during this two-year period, including as a result of a share capital reduction.

If this Agenda Item is approved, we would nevertheless seek shareholder approval for share issuances to the extent required under NYSE rules. Under current NYSE rules, shareholder approval is generally required, with certain enumerated exceptions, to issue common shares or securities convertible into or exercisable for common shares in one or a series of related transactions if such common shares represent 20% or more of the voting power or outstanding common shares of the company. NYSE rules also require shareholder approval for an issuance of shares that would result in a change of control of the company, as well as for share issuances in connection with certain benefit plans or related party transactions.

Text of Shareholder Resolution

IT IS RESOLVED, that the meeting of shareholders approves the amendment of article 5, paragraph 1 of the articles of association of TE Connectivity Ltd. as follows:

Previous version
Art. 5
Authorized Capital

¹The Board of Directors is authorized to increase the share capital at any time until 2 March 2018 by an amount not exceeding CHF 101,764,944.30 through the issuance of up to 178,534,990 fully paid up registered shares with a par value of CHF 0.57 each.

Proposed new version
Art. 5
Authorized Capital

¹The Board of Directors is authorized to increase the share capital at any time until 14 March 2020 by an amount not exceeding CHF 101,764,944.30 through the issuance of up to 178,534,990 fully paid up registered shares with a par value of CHF 0.57 each.

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Vote Requirement to Approve Agenda Item

The approval of two-thirds of the votes represented and the absolute majority of the par value of the votes represented at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 14.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 14.

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**AGENDA ITEM NO. 15 APPROVAL OF TERM EXTENSION OF THE
TYCO ELECTRONICS LIMITED SAVINGS RELATED SHARE PLAN**

Motion Proposed by the Board of Directors

Our Board of Directors proposes that the Tyco Electronics Limited Savings Related Share Plan (the "Plan") be amended to extend the term that options may be granted pursuant to the Plan for an indefinite period of time.

Explanation

The Board of Directors and the sole shareholder of TE Connectivity originally approved the Plan on June 30, 2007, and authorized up to 1,500,000 Common Shares for issuance under the Plan. Pursuant to Section 3.8 of the Plan as originally adopted, options may not be granted more than ten years after the adoption date of June 30, 2007. As the Company intends to make additional offerings to eligible employees under the Plan, the Board of Directors has approved to amend Section 3.8 of the Plan to provide that options may be granted for an indefinite period of time. The Company is not authorizing, and is not seeking shareholder approval, of an increase of Common Shares pursuant to the Plan.

If our shareholders approve this extension, it will be effective as of its adoption. If our shareholders do not approve the amendment, further issuances of Common Shares under the Plan will not be authorized.

A Summary of the Plan, as amended, is set forth below. Capitalized words or expressions used in this summary, but not otherwise defined herein, shall have the meaning given to them by the Plan rules. The summary is qualified in its entirety by the full text of the Plan, which is included in this Proxy Statement as Appendix B.

Summary of the Plan

The purpose of the Plan is to provide employees of the Company (and any of its nominated subsidiaries) (each of the Company and any such subsidiaries, a "Constituent Company") with an opportunity to purchase ordinary shares in the capital of the Company using accumulated savings from payroll deductions. The Plan provides for the grant of Options, and is conditioned upon the employee's entry into a linked savings arrangement pursuant to which a specified amount is deducted from the employee's monthly earnings via payroll as savings for the Exercise Price. At the end of the relevant savings period, the employee's savings may be used to exercise the Option and acquire the relevant number of shares underlying such Option. The Plan thus aims to attract, retain and incentivize employees, offering them a direct interest in the Company's success. The Plan is intended to meet the requirements of Schedule 3 of the UK Income Tax (Earnings and Pensions) Act 2003 ("Schedule 3").

A total of 479 employees currently participate in the Plan.

Eligibility

The Plan is a type of "all-employee" scheme, meaning that, to satisfy the requirements of Schedule 3, all eligible UK-resident employees and full-time directors must be invited to participate. The Plan rules broadly define an "Eligible Employee" as:

any employee of a Constituent Company; or

any director of a Constituent Company who works at least 25 hours per week for the Group

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and who, in either case, satisfies the minimum qualifying service requirement (which may not exceed five years), as notified by the Board or the Trustees. The Board and the Trustees may, at their discretion, also extend invitations to other employees and directors of Constituent Companies.

Administration

If the Board or the Trustees announce an intention to issue invitations to participate in the Plan, invitations must be issued to all Eligible Employees. Eligible Employees may then apply for the grant of an Option and the entry into a linked savings arrangement for a term of either three or five years, as is permitted by the Company.

Eligible Employees must confirm the relevant monthly savings contribution to be deducted via payroll, which may not be less than £5 (or such other minimum amount specified by Her Majesty's Revenue & Customs ("HMRC")). HMRC also imposes a limit on the maximum monthly savings contribution to be made by any employee, which is currently set at £500.

Any application from an Eligible Employee is deemed to be for the grant of an Option over the maximum whole number of Company shares that may be acquired at the Exercise Price set out in the invitation out of the expected repayment from the savings arrangements. Although the Board has discretion to determine the Exercise Price, it may not be less than the higher of (i) 80% of the Market Value of the Company shares and (ii) in the case of any Option to be satisfied by the issue of new Company shares, the nominal value of such shares. At the end of the relevant savings period, participants may (subject to the other terms of the Plan) withdraw their savings and apply them to the exercise of their Options. In the event that applications from Eligible Employees would result in the number of Company shares under Option exceeding any specified limit, the Plan includes a procedure for "scaling down" such applications.

Savings arrangements entered into as of a certain date may be eligible for a tax-free "bonus", which is equal to a guaranteed number of monthly contributions; this is set with reference to the time at which the savings arrangement is entered into. At present, the HMRC bonus rate is zero.

Options are personal to the Eligible Employees to whom they are granted and are not generally transferable or exercisable by anyone other than the Eligible Employee during the Eligible Employee's lifetime.

Exercise of Options

Options may not generally be exercised before the relevant Bonus Date, which is broadly a period of three or five years (as applicable) following the commencement of the savings arrangements. Options must generally be exercised, in whole or in part, within six months of the Bonus Date and, if not so exercised, will lapse immediately. Where Options are exercised in part, any unexercised part of the Option will lapse.

In accordance with the Plan rules, early exercise of Options may be permitted in certain circumstances, including the death of the participant prior to the Bonus Date, the termination of the participant's employment as the result of injury or disability, redundancy, retirement on or after a specified age or a transfer of the relevant employer company or relevant part of the business to a person outside the Group or upon the happening of certain corporate events (including a general offer for or acquisition of the Company, a compulsory acquisition of the Company, a reconstruction or amalgamation of the Company and the voluntary winding-up of the Company).

Any exercise of Options must be funded exclusively through the linked savings arrangement.

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Lapse of Options

Generally, but subject to certain exceptions set out in the Plan rules, Options will lapse on the earliest of:

the expiration of six months after the Bonus Date;

the participant ceasing to be employed by any Group Member, unless such termination is the result of injury or disability, redundancy, retirement on or after a specified age or a transfer of the relevant employer company or relevant part of the business to a person outside the Group, in which case the participant will generally be entitled to exercise his or her Option for a period of six months following the termination;

the expiration of twelve months following the participant's death, if he or she dies before the Bonus Date, or the expiration of twelve months following the Bonus Date, if the participant dies during the period of six months after the Bonus Date;

the date of any resolution or court order for the compulsory winding-up of the Company;

the date on which the participant becomes bankrupt;

the date on which the participant gives, or is deemed to give, notice that he or she intends to discontinue the monthly savings contributions or the date on which an application is made for the repayment of the aggregate monthly savings contributions; and

the date on which the participant purports to transfer his or her Option.

The Plan rules also make specific provision for the exercise (see above Exercise of Options), lapse and, in some cases, exchange of Options upon the happening of certain corporate events (including a general offer for or acquisition of the Company, a compulsory acquisition of the Company, a reconstruction or amalgamation of the Company and the voluntary winding-up of the Company).

UK Tax Consequences for Participants

The following is a summary of the general UK tax treatment which would be expected to apply in relation to Options granted to UK tax resident Plan participants, and assuming that the Plan satisfies, and continues to satisfy, the relevant Schedule 3 criteria for SAYE (Sharesave) option schemes. The following comments are based on UK laws currently in effect, which remain subject to change.

The grant of an Option should not give rise to any UK tax liability. The exercise of an Option should also not give rise to any UK income tax liability if the date of exercise is at least three years after the grant date. This treatment should also apply where a participant exercises his or her Option within three years of the grant date as a result of death or termination of employment due to injury or disability, redundancy, retirement, TUPE transfer or the participant's employer company ceasing to be associated with the Company. In the case of certain corporate events, the exercise of Options may also be exempt from UK income tax provided the exercise is in accordance with the specific requirements of the applicable legislation (namely, Schedule 3).

If a liability to UK income tax should arise, the participant would be liable to tax on the difference between the market value of the Company shares acquired (pursuant to the exercise of the Option) and the Exercise Price.

On any subsequent sale of the underlying Company shares, UK capital gains tax may be payable on the difference between the sale price received by the participant and the Exercise Price.

Table of Contents**Equity Compensation Plan Information**

The following table provides information as of fiscal year end 2017 with respect to common shares issuable under our 2007 Stock and Incentive Plan, 2010 Stock and Incentive Plan and Tyco Electronics Limited Savings Related Share Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b) ⁽³⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) ⁽⁴⁾
Equity compensation plans approved by security holders	9,140,092 ₍₁₎	\$ 55.10	21,589,958
Equity compensation plans not approved by security holders	1,451,893 ₍₂₎	\$ 60.88	1,733,230
Total	10,591,985		23,323,188

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- (1) Includes securities issuable upon exercise of outstanding options, warrants and rights under the TE Connectivity Ltd. 2007 Stock and Incentive Plan, amended and restated as of March 8, 2017 (the "2017 Plan") and the Tyco Electronics Limited Savings Related Shares Plan. The 2017 Plan provides for the award of annual performance bonuses and long-term performance awards, including share options; restricted, performance, and deferred share units; and other share-based awards (collectively, "Awards") to board members, officers, and non-officer employees. The 2017 Plan provides for a maximum of 69,843,452 common shares to be issued as Awards, subject to adjustment as provided under the terms of the 2017 Plan.
- (2) Includes securities issuable upon exercise of outstanding options, warrants and rights under the 2010 Stock and Incentive Plan, amended and restated as of March 9, 2017. In connection with the acquisition of ADC Telecommunications, Inc. ("ADC") in fiscal 2011, we assumed equity awards issued under plans sponsored by ADC and the remaining pool of shares available for grant under the plans. Subsequent to the acquisition, we registered 6,764,455 shares related to the plans via Forms S-3 and S-8 and renamed the primary ADC plan the TE Connectivity Ltd. 2010 Stock and Incentive Plan, amended and restated as of March 9, 2017 (the "2010 Plan"). Grants under the 2010 Plan are settled in TE Connectivity common shares.
- (3) Does not take into account restricted, performance, or deferred share unit awards that do not have exercise prices.
- (4) Includes securities remaining available for future issuance under the 2017 Plan, the 2010 Plan and the Tyco Electronics Limited Savings Related Share Plan. The 2017 Plan and the 2010 Plan apply weightings of 1.80 and 1.21, respectively, to outstanding nonvested restricted, performance, and deferred share units. The remaining shares issuable under the Tyco Electronics Limited Savings Related Share Plan, 2017 Plan and the 2010 Plan are increased by forfeitures and cancellations, among other factors.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 15.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 15.

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**AGENDA ITEM NO. 16 APPROVAL OF ANY ADJOURNMENTS OR POSTPONEMENTS
OF THE MEETING**

Motion Proposed by the Board of Directors

Our Board of Directors proposes that our shareholders approve any adjournments or postponements of the Annual General Meeting.

Explanation

You are being asked to approve any adjournments or postponements of the meeting so that we can solicit additional proxies if there are insufficient proxies to elect directors and approve the remaining agenda items at the time of the meeting.

Vote Requirement to Approve Agenda Item

The approval of a majority of the votes cast at the meeting, whether in person or by proxy, is required for approval of Agenda Item No. 16.

Recommendation

The Board of Directors recommends a vote "FOR" approval of Agenda Item No. 16.

ADDITIONAL INFORMATION

Cost of Solicitation

The cost of solicitation of proxies will be paid by TE Connectivity. TE Connectivity has engaged D. F. King & Co., Inc. as the proxy solicitor for the Annual General Meeting for an approximate fee of \$12,500. In addition, certain directors, officers or employees of TE Connectivity may solicit proxies by telephone or personal contact. Upon request, TE Connectivity will reimburse brokers, dealers, banks and trustees, or their nominees, for reasonable expenses incurred by them in forwarding proxy materials to beneficial owners of shares.

Registered and Principal Executive Offices

The registered and principal executive offices of TE Connectivity are located at Rheinstrasse 20, CH-8200 Schaffhausen, Switzerland. The telephone number is +41 (0) 52 633 66 61.

Annual Report

Copies of our Annual Report for the fiscal year ended September 29, 2017 containing our audited consolidated financial statements with accompanying notes and our audited Swiss statutory financial statements prepared in accordance with Swiss law as well as additionally required Swiss disclosures and our Swiss Compensation Report, are available to shareholders free of charge on our website at www.te.com or by writing to TE Connectivity Shareholder Services, TE Connectivity Ltd., Rheinstrasse 20, CH-8200 Schaffhausen, Switzerland.

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TE CONNECTIVITY 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS

TE Connectivity anticipates that the 2019 Annual General Meeting of Shareholders will be held on or about March 13, 2019.

Shareholder proposals submitted pursuant to Rule 14a-8 under the Securities Exchange Act and article 14 of TE Connectivity's articles of association will be considered for inclusion in TE Connectivity's 2018 proxy statement and proxy card for the meeting if the proposal is received in writing by TE Connectivity's Secretary no later than September 21, 2018. The notice of proposal must comply with the requirements established by the SEC and must include the information specified in article 14 of TE Connectivity's articles of association and must be a proper subject for shareholder action under Swiss law.

Article 14 of TE Connectivity's articles of association sets forth the procedures (including, without limitation, advance notice requirements) a shareholder must follow to request that an item be put on the agenda of a general meeting of shareholders. No prior notice is required to bring proposals (including the nomination of persons for election to the Board of Directors) at a general meeting of shareholders where such proposals relate to items that are already included on the agenda for that meeting.

Proposals should be addressed to Harold G. Barksdale, Secretary, TE Connectivity Ltd., Rheinstrasse 20, CH-8200 Schaffhausen, Switzerland.

TE Connectivity will furnish a copy of its articles of association to any shareholder without charge upon written request to the Secretary.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy these materials at the SEC reference room at 100 F Street, N.E., Washington, D.C. 20549, USA. Please call the SEC at 1-800-SEC-0330 for further information on their public reference room. Our SEC filings also are available to the public at the SEC's website (<http://www.sec.gov>). In addition, you can obtain reports and proxy statements and other information about us at the offices of the NYSE, 20 Broad Street, New York, New York 10005, USA.

We maintain a website on the Internet at <http://www.te.com>. We make available free of charge, on or through our website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after such material is filed with the SEC. This reference to our Internet address is for informational purposes only and shall not, under any circumstances, be deemed to incorporate the information available at such Internet address into this proxy statement.

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**APPENDIX A
PRIMARY TALENT MARKET PEER GROUP**

**Aerospace & Defense; Electronic, Electrical & Scientific Equipment & Components;
Industrial Manufacturing**

3M Company	Johns Manville Corporation
AMETEK Inc.	Johnson Controls International plc
AMSTED Industries Incorporated	Kennametal Inc.
Arconic Inc.	Keysight Technologies, Inc.
ARM Holdings	L-3 Communications Holdings Inc.
Arrow Electronics, Inc.	Lafarge North America
Avnet Inc.	LEDVANCE
BAE Systems PLC	Leidos, Inc.
Ball Corp.	LG Electronics
Bechtel Systems & Infrastructure, Inc.	Lincoln Electric
The Boeing Company	Lockheed Martin Corp.
BorgWarner Inc.	Lutron Electronics
Bradley	Makino
Brady Corp.	Materion Corporation
Caterpillar Inc.	Mettler-Toledo International Inc.
Celestica Inc.	Molex
Consolidated Nuclear Security Y-12	MTS Systems Corporation
Corning Incorporated	Nordson Corporation
Cubic Corp.	Northrop Grumman Corporation
Curtiss-Wright Corporation	Northwest Pipeline LLC
Danaher Corp.	Orbital ATK, Inc.
Dematic	Osram Sylvania
Donaldson Co. Inc.	Owens Corning
Eaton Corporation	Oxford Instruments America
EnPro Industries, Inc.	Panasonic of North America
ESCO Technologies Inc.	Parker Hannifin Corporation
Esterline Technologies Corporation	Plexus Corp.
Flowserve Corp.	Rockwell Automation Inc.
GAF Materials Corporation (Canada)	Rockwell Collins Inc.
Garmin	Rolls-Royce North America (USA) Holdings Co.
Gates	SAIC, Inc.
General Atomics	Schneider Electric SA
General Aviation	Sensata Technologies
General Cable	Siemens
General Dynamics Corporation	Spirit AeroSystems Holdings, Inc.
General Electric Co.	SPX Corporation
GL&V	SPX Flow, Inc.
Goldwind	TDK Corporation
Graco Inc.	Terex Corporation
Harman International Industries, Incorporated	Textron Inc.
Harris Associates, L.P.	Timken Co.
Hexcel Corporation	Toro Co.
Honeywell Inc.	TRW Automotive
Husky Injection Molding Systems Ltd.	TT Electronics
IDEX Corp.	United Technologies Corporation
IMI	USG Corporation
Ingersoll-Rand	Vectrus, Inc.
ITT Corporation	Worthington Industries, Inc.
Jabil Circuit Inc.	Xylem Inc.

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APPENDIX B
TE CONNECTIVITY LTD
RULES
OF
TYCO ELECTRONICS LIMITED
SAVINGS RELATED SHARE PLAN

2018 Annual General Meeting Proxy Statement

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1. INTERPRETATION

1.1. Definitions

In this Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

- 1.1.1. **Acquiring Company** means a company (including a New Holding Company) which obtains Control of the Company in the circumstances referred to in Rule 8.1, 8.2 or 8.3 (reading the reference in Rule 8.3 to "proposes to obtain" as "obtains");
- 1.1.2. **Acting In Concert** has the meaning given to that expression in The City Code on Takeovers and Mergers in its present form or as amended from time to time;
- 1.1.3. **Adoption Date** means 30 June 2007, the date on which the Plan was adopted by the Board;
- 1.1.4. **Applicant** means an Eligible Employee who applies for the grant of an Option;
- 1.1.5. **Application** means an application for the grant of an Option;
- 1.1.6. **Application Form** means the form referred to in Rule 2.2 on which an application for the grant of an Option is made;
- 1.1.7. **Approval Date** means 23 November 2007, the date on which the Plan was approved by HM Revenue & Customs under Schedule 3;
- 1.1.8. **Associated Company** has the meaning given to that expression by paragraph 47 of Schedule 3 or, where the context requires, paragraph 35(4) of Schedule 3;
- 1.1.9. **Board** means the board of directors of the Company or a duly authorised committee thereof;
- 1.1.10. **Bonus Date** means
 - (a) in the case of a three year Savings Contract, the earliest date on which a Standard Bonus would be payable under the Savings Contract; and
 - (b) in the case of a five year Savings Contract, the earliest date on which a Standard Bonus or a Maximum Bonus would be payable under the Savings Contract, according to whether, for the purpose of determining the number of Plan Shares over which the Option linked to the Savings Contract was granted, the repayment under the Savings Contract is to be taken as including the Standard Bonus (or no bonus) or the Maximum Bonus, respectively;
- 1.1.11. **Close Company** has the meaning given to that expression by section 414(1) of ICTA 1988, and paragraph 11(4) of Schedule 3;
- 1.1.12. **Company** means TE Connectivity Ltd., incorporated in Switzerland, being the scheme organiser for the purposes of paragraph 2(2) of Schedule 3;
- 1.1.13.

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Consortium has the meaning given to that word by paragraph 48(2) of Schedule 3;

1.1.14.

Constituent Company means the Company or a company which is a Subsidiary and which has been nominated by the Board to participate in the Plan from time to time;

1.1.15.

Continuous Employment has the meaning given by the Employment Rights Act 1996:

1.1.16.

Control has the meaning given to that word by section 840 of ICTA 1988;

1.1.17.

Eligible Employee means an individual who is:

(a)

an employee (other than a director) of a Constituent Company; or

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- (b) a director of a Constituent Company who is contracted to work at least 25 hours per week for the Group (exclusive of meal breaks);

and who, in either case:
 - (i) is not eligible solely by reason that he is a non-executive director of a Constituent Company;
 - (ii) has earnings in respect of his office or employment which are (or would be if there were any) general earnings to which section 15 or 21 of ITEPA 2003 applies;
 - (iii) has at the Grant Date such period of Continuous Employment as a director or employee, not exceeding five years, as the Grantor determines for the purpose of an issue of Invitations;
 - (iv) has not given or been given notice to terminate his employment within the Group; and
 - (v) does not have at the Grant Date, and has not had during the preceding twelve months, a Material Interest in a Close Company which is the Company or a company which has Control of the Company or a member of a Consortium which owns the Company; or
- (c) a director (other than a non executive director) or employee of a Constituent Company nominated by the Grantor to be an Eligible Employee who is not prohibited from participating in the Plan by sub paragraph (v) above;

- 1.1.18. **Employees' Share Scheme** has the meaning set out in section 743 of the Companies Act 1985 or the corresponding section in the Companies Act 2006;
- 1.1.19. **Exercise Price** means the amount per Plan Share payable on the exercise of an Option determined in accordance with Rule 5;
- 1.1.20. **Grant Date** means the date on which an Option is granted to an Eligible Employee determined in accordance with Rule 3.3;
- 1.1.21. **Grantor** means
 - (a) in relation to an Option granted by the Company, the Board; and
 - (b) in relation to an Option granted by the Trustees, the Trustees;
- 1.1.22. **Group** means the Company and all Subsidiaries and Associated Companies of the Company and "**Group Member**" shall be construed accordingly;
- 1.1.23. **ICTA 1988** means the Income and Corporation Taxes Act 1988;
- 1.1.24. **Invitation** means an invitation to apply for the grant of an Option issued under Rule 2.1;

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1.1.25.

Invitation Date means the date on which an Invitation is issued;

1.1.26.

ITEPA 2003 means the Income Tax (Earnings and Pensions) Act 2003;

1.1.27.

ITTOIA 2005 means the Income Tax (Trading and Other Income) Act 2005;

1.1.28.

Key Feature means a provision of the Plan which is necessary in order to meet the requirements of Schedule 3;

1.1.29.

Market Value means

(a)

if at the relevant time Plan Shares are listed on the New York Stock Exchange (or any other recognised investment exchange within the meaning of section 841 of ICTA

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1988), the closing quotation of a Plan Share (as derived from the New York Stock Exchange or the list appropriate to such other exchange or market) for the trading day immediately preceding the Invitation Date; or

(b) if at the relevant time Plan Shares are not so listed, the market value of a Plan Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance by the Grantor with HM Revenue & Customs Shares & Assets Valuation on the Invitation Date or such earlier date or dates as may be agreed with HM Revenue & Customs, as required;

- 1.1.30. **Material Interest** has the meaning given to that expression by paragraphs 11 and 12 to 16 of Schedule 3;
- 1.1.31. **Maximum Bonus** means the bonus which is payable under a five year Savings Contract, at the earliest, seven years after the starting date of the Savings Contract;
- 1.1.32. **Minimum Monthly Savings Amount** means in relation to each Invitation, the minimum monthly saving which may be made by an Option Holder as determined by the Board in accordance with paragraph 25(3)(b) of Schedule 3 being not less than £5 (or such other minimum savings amount specified from time to time by HM Treasury in their Save-As-You-Earn prospectus) nor more than £10 (or such other amount as may be permitted from time to time under paragraph 25(3)(b) of Schedule 3);
- 1.1.33. **New Holding Company** means a company which obtains Control of the Company where 90% or more of the New Holding Company's ordinary shares are held in substantially the same proportions by substantially the same persons who previously held the Company's ordinary shares;
- 1.1.34. **New Option** means an option granted by way of exchange under Rule 9.1;
- 1.1.35. **New Plan Shares** means the shares subject to a New Option;
- 1.1.36. **New York Stock Exchange** means the New York Stock Exchange or any successor body;
- 1.1.37. **Notice of Exercise** means the notice given in respect of the exercise of an Option under Rule 6.7;
- 1.1.38. **Option** means a right to acquire Plan Shares granted under the Plan;
- 1.1.39. **Option Certificate** means the deed or statement under which an Option is granted in accordance with Rule 3.3;
- 1.1.40. **Option Holder** means an individual who holds an Option or, where the context permits, his legal personal representatives;
- 1.1.41. **Plan** means Tyco Electronics Limited Savings Related Share Plan in its present form or as amended from time to time;
- 1.1.42. **Plan Shares** means ordinary shares in the capital of the Company (or any shares representing them) which satisfy the conditions in paragraphs 18 to 22 of Schedule 3;
- 1.1.43. **Relevant Employment** means employment with any Group Member;
- 1.1.44.

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Reorganisation means any variation in the share capital of the Company, including but without limitation a capitalisation issue, rights issue, rights offer or bonus issue and a sub-division, consolidation or reduction in the capital of the Company but excluding a capitalisation issue in substitution for or as an alternative to a cash dividend;

1.1.45.

Rules mean the rules of the Plan;

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- 1.1.46. **Savings Contract** means a contract under a certified contractual savings scheme within the meaning of section 703 of ITTOIA 2005 which has been approved by HM Revenue & Customs, if applicable, for the purpose of Schedule 3;
- 1.1.47. **Schedule 3** means Schedule 3 to ITEPA 2003;
- 1.1.48. **Specified Age** means 65 years;
- 1.1.49. **Standard Bonus** means the earliest bonus which is payable under a Savings Contract;
- 1.1.50. **Subsidiary** means a company which is a subsidiary of the Company within the meaning of section 736 of the Companies Act 1985, or the corresponding section in the Companies Act 2006, over which the Company has Control;
- 1.1.51. **Trustees** means the trustees of any trust created by a Group Member which, when taken together with the Plan, constitutes an Employees' Share Scheme;

1.2. Interpretation

In the Plan, unless otherwise specified:

- 1.2.1. the contents and rule headings are inserted for ease of reference only and do not affect the interpretation of the Plan;
- 1.2.2. a reference to a Rule is a reference to a rule of the Plan;
- 1.2.3. save as provided for by law and subject to Rule 16.4 a reference to writing includes any mode of reproducing words in a legible form and reduced to paper or electronic format or communication including, for the avoidance of doubt, correspondence via e-mail;
- 1.2.4. the singular includes the plural and *vice versa* and the masculine includes the feminine;
- 1.2.5. a reference to a statutory provision includes any statutory modification, amendment or re-enactment thereof; and
- 1.2.6. the Interpretation Act 1978 applies to the Plan in the same way as it applies to an enactment.

2. INVITATIONS TO APPLY FOR, AND APPLICATIONS FOR, GRANT OF OPTIONS

2.1. Announcement of intention to issue Invitations by Board or Trustees

The Board or the Trustees may, in their absolute discretion, from time to time, announce their intention to issue Invitations in accordance with this Rule 2 to Eligible Employees to apply for the grant of Options.

2.2. Persons to whom Invitations must be issued

If the Grantor announces its intention to issue Invitations, it shall issue an Invitation to every person who is, or will on the Grant Date be, an Eligible Employee.

2.3. Documents which must accompany Invitation

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An Invitation shall be accompanied by:

2.3.1

an Application Form to be used by the recipient of the Invitation to apply for the grant of the Option referred to in the Invitation and to apply to enter into a Savings Contract approved by the Grantor for the purpose of that issue of Invitations and linked to the Option; and

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- 2.3.2 a copy of the Rules.

2.4. Contents of Invitation

An Invitation shall state:

- 2.4.1. the date, being not less than 14 nor more than 21 days after the date of issue of the Invitation, by which the recipient of the Invitation must submit an Application;
- 2.4.2. the Minimum Monthly Savings Amount under the Savings Contract linked to the Option referred to in the Invitation;
- 2.4.3. the Exercise Price under the Option referred to in the Invitation or the method by which the Exercise Price will be determined and notified to Eligible Employees;
- 2.4.4. the maximum permitted aggregate monthly savings contribution under the Savings Contract linked to the Option referred to in the Invitation taken together with savings contributions by the Applicant under any other savings contract linked to any other Option or option granted under any other SAYE option scheme approved by HM Revenue & Customs under Schedule 3, as applicable, being the lesser of £250 (or such other amount as may be permitted from time to time under paragraph 25(3)(a) of Schedule 3) and such other amount (being a multiple of £1 and not less than £5 (or such other minimum savings amount specified from time to time by HM Treasury in their Save-As-You-Earn prospectus, to the extent applicable)) as the Board may determine for the purpose of that issue of Invitations;
- 2.4.5. whether an Applicant must enter into a three year or a five year Savings Contract or may choose either;
- 2.4.6. whether, for the purpose of determining the number of Plan Shares over which the Option referred to in the Invitation is to be granted, the repayment under the Savings Contract linked to the Option must be taken as including the Maximum Bonus, the Standard Bonus or no bonus or whether the recipient of the Invitation may choose any of these; and
- 2.4.7. the maximum total number of Plan Shares, if any, set by the Board under Rule 4.1 over which Options will be granted in response to that issue of Invitations.

Subject to this Rule 2, an Invitation shall be in such form as the Grantor may determine from time to time.

2.5 Contents of Application Form

An Application Form shall require an Applicant to state:

- 2.5.1. the monthly savings contribution (being a multiple of £1 and not less than £5 (or such other minimum savings amount specified from time to time by HM Treasury in their Save-As-You-Earn prospectus, to the extent applicable)) which he wishes to make under the Savings Contract linked to the Option referred to in the Invitation;
- 2.5.2. that his proposed monthly savings contribution, when added to any monthly savings contributions then being made by him under any other Savings Contract linked to an Option or to an option granted under any other SAYE option scheme approved by HM Revenue & Customs under Schedule 3, as applicable, will not exceed the maximum permitted aggregate monthly savings contribution specified in the Invitation;

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- 2.5.3. where appropriate, whether he wishes to enter into a three or five year Savings Contract, and, in the case of a five year Savings Contract, whether he wishes it to be linked to the Maximum Bonus or the Standard Bonus; and
- 2.5.4. where appropriate, whether, for the purpose of determining the number of Plan Shares over which the Option referred to in the Invitation is to be granted, he wishes the repayment under the Savings Contract linked to the Option to be taken as including a bonus or no bonus;

and shall authorise the Grantor to enter on the Application Form, on behalf of the Applicant, such monthly savings contribution, not exceeding the maximum stated on the Application Form, as the Grantor determines under Rule 3.6.

Subject to this Rule 2, an Application Form shall be in such form as the Grantor may determine from time to time.

2.6 Number of Plan Shares applied for in Application

An Application shall be deemed to be for the grant of an Option over the maximum whole number of Plan Shares which may be acquired at the Exercise Price out of the expected repayment (including any bonus where permitted under Rule 2.3.6 and requested by the Applicant pursuant to Rule 2.4.4) under the Savings Contract linked to the Option at the applicable Bonus Date.

2.7 Making of Applications

The recipient of an Invitation who wishes to apply for the grant of the Option referred to in the Invitation shall submit to the Grantor, within the period specified in the Invitation, a duly completed Application Form.

3. GRANT OF OPTIONS

3.1. Options granted by Company or Trustees

The Company or the Trustees may from time to time grant Options to Eligible Employees.

3.2. Persons to whom Options must be granted

The Grantor shall grant the Option referred to in each Invitation in respect of which the Grantor has received a valid Application and, where Rule 3.6.4 applies, which has been selected by lot.

3.3. Procedure for grant of Options and Grant Date

The Grantor shall grant an Option by passing a resolution. The Grant Date shall be the date on which the Grantor passes the resolution or such later date as is specified in the resolution and allowed by Rules 3.7 and 3.8. The grant of an Option or Options shall be evidenced by a deed executed by or on behalf of the Grantor. The deed or a statement providing details of the grant shall be issued to each Applicant who has been granted an Option as soon as reasonably practicable following the grant of the Option.

3.4. Contents of Option Certificate

An Option Certificate shall state:

the Grant Date;

the number of Plan Shares subject to the Option;

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the Exercise Price; and

the Bonus Date, being the date on which the Option will ordinarily become exercisable.

Subject thereto, an Option Certificate shall be in such form as the Board may determine from time to time.

3.5. Number of Plan Shares over which Options granted

An Option shall be granted over the number of Plan Shares for which the Applicant is deemed under Rule 2.5 or 3.6, as appropriate, to have applied.

3.6. Scaling down of Applications

If the Grantor receives Applications for the grant of Options over a number of Plan Shares in excess of any of the limits in Rule 4, it shall, to the extent necessary to eliminate the excess, take the following steps in the following order or such other steps as it may agree in advance with HM Revenue & Customs, as so required:

- 3.6.1. first, for the purpose of determining the number of Plan Shares over which the Option referred to in an Invitation is to be granted, it shall take the repayment under the Savings Contract linked to the Option as including the Standard Bonus instead of the Maximum Bonus;
- 3.6.2. secondly, it shall take the repayment under the Savings Contract linked to the Option as including no bonus instead of the Standard Bonus;
- 3.6.3. thirdly, it shall reduce pro rata the excess over £5 (or such other minimum savings amount specified from time to time by HM Treasury in their Save-As-You-Earn prospectus, to the extent applicable), or such greater amount as the Grantor may determine, of the monthly savings contribution selected by each Applicant;
- 3.6.4. fourthly, it shall select Applications by lot and each Application shall be deemed to be for a monthly savings contribution of £5 (or such other minimum savings amount specified from time to time by HM Treasury in their Save-As-You-Earn prospectus, to the extent applicable) only with the repayment under the Savings Contract linked to the Option taken as including no bonus.

Each Application shall be deemed to have been withdrawn or amended accordingly and the Grantor shall amend each Application Form to reflect any reduction in the bonus or the monthly savings contribution resulting therefrom.

For the purpose of applying this Rule 3.6, if an Applicant has made multiple Applications, the Applications shall be treated as a single Application and the monthly savings contributions applied for in the Applications shall be aggregated.

3.7. Period allowed for grant of Options

An Option may be granted only during the period of thirty days beginning on the earliest of the dates referred to in the definition of "Market Value" and used for the purpose of determining the Exercise Price or, if Rule 3.6 applies, during the period of forty two days beginning on the earliest of such dates.

3.8. Duration of Plan

An Option may not be granted earlier than the Approval Date. The Plan will continue in effect until it is terminated by action of the Board or as otherwise provided hereunder.

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3.9. Persons to whom Options may be granted

The Grantor may not grant an Option to an individual who is not an Eligible Employee on the Grant Date.

3.10. Options non-transferable

An Option shall be personal to the Eligible Employee to whom it is granted and, subject to Rule 7.1, shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Option Holder purports to transfer, charge or otherwise alienate the Option.

4. LIMIT ON AGGREGATE NUMBER OF PLAN SHARES PLACED UNDER OPTION

4.1. Power to set limit

The Board may, in its absolute discretion, from time to time set a maximum limit on the total number of Plan Shares which may be placed under Option under the Plan in response to an issue of Invitations (but no such limit shall invalidate any Option granted prior to such limit being set).

5. EXERCISE PRICE

The Exercise Price shall be determined by the Board and may be any price but shall not be less than the higher of:

- (a) eighty percent of the Market Value of a Plan Share; and
- (b) in the case of any Option which will be satisfied by the issue of new shares the nominal value of a Plan Share.

6. EXERCISE OF OPTIONS

6.1. Earliest date for exercise of Options

Subject to Rules 7 and 8, an Option may not be exercised before the Bonus Date.

6.2. Latest date for exercise of Options

Subject to Rule 7.1, an Option may not be exercised more than six months after the Bonus Date and if not exercised by that date shall lapse immediately.

6.3. Persons who may exercise Options

Subject to Rule 7, an Option may be exercised only while the Option Holder is in Relevant Employment and if an Option Holder ceases to be in Relevant Employment, any Option granted to him shall lapse immediately. This Rule 6.3 shall apply where the Option Holder ceases to be in Relevant Employment in any circumstances (including, in particular, but not by way of limitation, where the Option Holder is dismissed unfairly, wrongfully, in breach of contract or otherwise).

6.4. Material Interest

An Option may not be exercised if the Option Holder then has, or has had within the preceding twelve months, a Material Interest in a Close Company which is the Company or which is a company which has Control of the Company or which is a member of a Consortium which owns the Company.

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6.5. Number of Plan Shares acquired on exercise of Options

The number of Plan Shares which may be acquired on the exercise of an Option shall be limited to the maximum whole number which may be acquired at the Exercise Price out of the repayment (including any interest or bonus that has been taken into account in determining the number of Plan Shares over which the Option was granted) received by the Option Holder under the Savings Contract linked to the Option.

6.6. Options may be exercised in whole or in part

An Option may, to the extent it has become exercisable, be exercised in whole or in part. If exercised in part, the unexercised part of the Option shall lapse.

6.7. Procedure for exercise of Options

6.7.1.

An Option shall be exercised by the Option Holder delivering to the Grantor a duly completed Notice of Exercise in the form from time to time prescribed by the Grantor, specifying the number of Plan Shares in respect of which the Option is being exercised, and accompanied by evidence of the termination of the Savings Contract linked to the Option, payment in full for the Plan Shares (which shall not exceed the repayment, including any interest or bonus, received by the Option Holder under the linked Savings Contract) and, if available, the Option Certificate. Such payment may be made by the Option Holder or by the bank or building society with which the Savings Contract was made.

6.7.2.

For the avoidance of doubt, the date of exercise of an Option shall be determined in accordance with Rule 16.3. If payment is made by cheque and the cheque fails to clear the Option shall be deemed never to have been exercised.

6.8. Issue or transfer of Plan Shares on exercise of Options

Subject to any necessary consents and to compliance by the Option Holder with the Rules, the Grantor shall, as soon as reasonably practicable and in any event not later than thirty days after the date of exercise of the Option, issue or transfer to the Option Holder, or procure the issue or transfer to the Option Holder of, the number of Plan Shares specified in the Notice of Exercise and shall deliver or procure the delivery to the Option Holder of a definitive share certificate in respect of such Plan Shares.

6.9. Amount of repayment under Savings Contract

For the purpose of Rules 6.5 and 6.7, the repayment received under a Savings Contract shall exclude the repayment of any contribution the due date for payment of which falls after any date on which the Option Holder ceases to be in Relevant Employment.

7. EXERCISE OF OPTIONS IN SPECIAL CIRCUMSTANCES

7.1. Death

Notwithstanding Rules 6.1, 6.2 and 6.3, if an Option Holder dies before the Bonus Date, his personal representatives shall be entitled to exercise his Options at any time during the twelve month period after his death. If not so exercised, the Options shall lapse immediately.

Notwithstanding Rules 6.2 and 6.3, if an Option Holder dies during the period of six months after the Bonus Date, his personal representatives shall be entitled to exercise his Options at any time during the twelve month period after the Bonus Date. If not so exercised, the Options shall lapse immediately.

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7.2. Injury, disability, redundancy, retirement etc

Subject to Rule 7.5, notwithstanding Rules 6.1 and 6.3, if an Option Holder ceases to be in Relevant Employment by reason of:

- 7.2.1. injury or disability;
- 7.2.2. redundancy within the meaning of the Employment Rights Act 1996;
- 7.2.3. retirement on or after reaching the Specified Age or any other age at which he is bound to retire under the terms of his contract of employment;
- 7.2.4. his office or employment ceasing to be a Relevant Employment because
 - 7.2.4.1. it is in a company which ceases to be a member of the Group; or
 - 7.2.4.2. it relates to a business or part of a business which is transferred to a person who is not a member of the Group

he shall be entitled to exercise his Options at any time during the period of six months after the date he ceased to be in Relevant Employment except that in the case of cessation of employment by reason of a circumstance within Rules 7.2.1, 7.2.2 or 7.2.3 occurring within the six month period after an event to which Rule 7.2.4 applied he shall be entitled to exercise his Options within the six month period after such cessation of employment.

7.3. Specified Age

If an Option Holder continues to be employed after the date on which he reaches the Specified Age, he shall be entitled to exercise his Options at any time during the six month period thereafter. If not so exercised, the Options shall not lapse but shall be exercisable or not, as the case may be, in accordance with the rules of the Plan.

7.4. Other special circumstances

If an Option Holder ceases to be in Relevant Employment for a reason other than those referred to in Rules 7.1 and 7.2 and within three years after the Grant Date, the Option shall lapse immediately.

If an Option Holder ceases to be in Relevant Employment for a reason other than those referred to in Rules 7.1 and 7.2 and more than three years after the Grant Date, he shall be entitled to exercise the Option at any time during the six month period thereafter. If not so exercised, the Option shall lapse immediately.

7.5. Office or employment in Group Company

If, at the relevant Bonus Date, an Option Holder holds an office or employment in a company which is not a Constituent Company but which is a member of the Group he shall be entitled to exercise his Options at any time during the six month period thereafter.

7.6. Termination of Savings Contract

If an Option Holder gives, or is deemed under the terms of his Savings Contract to have given, notice that he intends to cease paying contributions under his Savings Contract, the Option linked to the Savings Contract shall lapse immediately unless the Option has already become exercisable in accordance with the rules of the Plan.

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7.7. Meaning of ceasing to be in Relevant Employment

For the purpose of Rules 6.3, 7.2, 7.4, and 10.1.2, an Option Holder shall not be treated as ceasing to be in Relevant Employment until he no longer holds any office or employment with a member of the Group.

7.8. Interaction of Rules

7.8.1.

If an Option has become exercisable under Rule 7.2 or 7.3 and, during the period allowed for the exercise of the Option under Rule 7.2 or 7.3, the Option Holder dies, the period allowed for the exercise of the Option shall be the period allowed by Rule 7.1.

7.8.2.

If an Option has become exercisable under Rule 7 and, during the period allowed for the exercise of the Option under Rule 7, the Option becomes exercisable under Rule 8 also (or vice versa), the period allowed for the exercise of the Option shall be the first to determine of the period allowed by Rule 7 and the period allowed by Rule 8.

8. TAKEOVER, RECONSTRUCTION, AMALGAMATION OR WINDING-UP OF COMPANY

8.1. General offer for, or acquisition of, Company

Notwithstanding Rule 6.1, if a person other than a New Holding Company obtains Control of the Company as a result of:

8.1.1.

making a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or

8.1.2.

making a general offer to acquire all the shares in the Company of the same class as the Plan Shares

(in either case, other than any shares already held by him or a person Acting In Concert with him)

all Options may be exercised, subject to Rule 8.2, at any time during the period of six months beginning with the time when the person making the offer or proposed acquisition (as the case may be) has obtained Control of the Company and any condition subject to which the offer or proposed acquisition is made has been satisfied. If not so exercised, the Options shall lapse at the expiry of the six month period.

8.2. Compulsory acquisition of Company

Notwithstanding Rule 6.1, if a person, other than a New Holding Company, becomes entitled to serve a Section 102 Notice to acquire shares in the Company, all Options may be exercised at any time during the period beginning with the date the person serves a Section 102 Notice and ending seven clear days before the date on which the person ceases to be entitled to serve such a notice. If not so exercised, the Options shall cease to be exercisable and shall lapse when the person ceases to be entitled to serve such a notice.

8.3. Reconstruction or amalgamation of Company

Notwithstanding Rule 6.1, if a person, other than a New Holding Company, proposes to obtain Control of the Company in pursuance of a compromise or arrangement sanctioned by the court under section 101 of the Companies Act 1981 of Bermuda:

8.3.1.

Option Holders may exercise all Options, on the compromise or arrangement being sanctioned by the court, or within the six month period following this date;

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- 8.3.2. if the compromise or arrangement becomes effective, any Options not so exercised shall cease to be exercisable and shall lapse at the end of such six month period;
- 8.3.3. an Option which has already become exercisable may be exercised unconditionally before the court sanction of the compromise arrangement. Any Option not so exercised shall cease to be exercisable and shall lapse at the end of such six month period.

8.4. Winding-up of Company

If notice is given of a resolution for the voluntary winding-up of the Company:

- 8.4.1. Option Holders may exercise all Options , on the passing of the resolution or within the two month period following this date;
- 8.4.2. if the resolution is passed, any Options not so exercised shall lapse immediately;
- 8.4.3. an Option which has already become exercisable may be exercised unconditionally during such period. Any Option not so exercised shall cease to be exercisable and shall lapse immediately following the passing of the resolution.

8.5. Shares subject to Options ceasing to be Plan Shares

If the shares subject to an Option cease to satisfy the conditions in paragraphs 18 to 22 of Schedule 3:

- 8.5.1. the definition of "Plan Shares" shall be amended by the deletion of the words "which satisfy the conditions in paragraphs 18 to 22 of Schedule 3";
- 8.5.2. the Grantor shall, as soon as reasonably practicable, notify HM Revenue & Customs as required;
- 8.5.3. the Option shall continue to exist and shall continue to be entitled to exemptions from income tax applying to an SAYE option scheme approved under Schedule 3 subject to any determination by HM Revenue & Customs, as required, to withdraw approval under paragraph 42 of Schedule 3; and
- 8.5.4. the Plan shall continue to exist but, if HM Revenue & Customs withdraw approval of the Plan under Schedule 3, if applicable, as a non HM Revenue & Customs approved plan.

8.6. Meaning of "obtains Control of the Company"

For the purpose of Rule 8, a person shall be deemed to have obtained Control of the Company if he and others Acting In Concert with him have together obtained Control of it.

8.7. Notification of Option Holders

The Grantor shall, as soon as reasonably practicable, notify each Option Holder of the occurrence of any of the events referred to in this Rule and explain how this affects his position under the Plan.

9. EXCHANGE OF OPTIONS

9.1. Circumstances in which Exchange can occur

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If the person referred to in Rules 8.1, 8.2 or 8.3, (reading the reference in Rule 8.3 to "proposes to obtain" as "obtains") including a New Holding Company, an Option Holder may, at any time during the period set out in Rule 9.2, by agreement with the Acquiring Company, release his Option in

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consideration of the grant to him of a new option which is equivalent to the Option but which relates to shares in:

- 9.1.1. the Acquiring Company; or
- 9.1.2. a company which has Control of the Acquiring Company; or
- 9.1.3. a company which either is, or has Control of, a company which is a member of a Consortium which owns either the Acquiring Company or a company having Control of the Acquiring Company.

9.2. Period allowed for exchange of Options

The period referred to in Rule 9.1 is:

- 9.2.1. where Rule 8.1 applies or would apply if the reference in that Rule to "person" was read as "person including a New Holding Company", the period referred to in that Rule;
- 9.2.2. where Rule 8.2 applies, the period during which the Acquiring Company remains so entitled or bound; and
- 9.2.3. where Rule 8.3 applies, the period of six months beginning with the time when the court sanctions the compromise or arrangement.

9.3. Meaning of "equivalent"

The New Option shall not be regarded for the purpose of this Rule 9 as equivalent to the Option unless:

- 9.3.1. the New Plan Shares satisfy the conditions in paragraphs 18 to 22 of Schedule 3; and
- 9.3.2. the New Option will be exercisable in the same manner as the Option and subject to the provisions of the Plan as it had effect immediately before the release of the Option;
- 9.3.3. the total market value, immediately before the release of the Option, of the Plan Shares which were subject to the Option is as nearly as may be equal to the total market value, immediately after the grant of the New Option, of the New Plan Shares subject to the New Option (market value being determined for this purpose in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992); and
- 9.3.4. the total amount payable by the Option Holder for the acquisition of the New Plan Shares under the New Option is as nearly as may be equal to the total amount that would have been payable by the Option Holder for the acquisition of the Plan Shares under the Option.

9.4. Grant Date of New Option

The Grant Date of the New Option shall be deemed to be the same as the Grant Date of the Option.

9.5. Application of Plan to New Option

In the application of the Plan to the New Option, where appropriate, references to "Company" and "Plan Shares" shall be read as if they were references to the company to whose shares the New Option relates and the New Plan Shares, respectively, save that in the definition of

"Board" the reference to "Company" shall be read as if it were a reference to Tyco Electronics Limited.

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10. LAPSE OF OPTIONS

An Option shall lapse on the earliest of:

- 10.1.1. subject to Rule 7.1, six months after the Bonus Date;
- 10.1.2. subject to Rules 7.1, 7.2 and 7.4, the Option Holder ceasing to be in Relevant Employment;
- 10.1.3. the date on which it is provided that the Option shall lapse under Rules 7.1, 7.2 and 7.4 and 8.1 to 8.4;
- 10.1.4. the date on which a resolution is passed or an order is made by the court for the compulsory winding-up of the Company;
- 10.1.5. the date on which the Option Holder becomes bankrupt or enters into a compromise with his creditors generally;
- 10.1.6. before an Option has become capable of being exercised, the Option Holder giving notice that he intends to stop paying monthly contributions, or being deemed under the terms of the Savings Contract to have given such notice or making an application for the repayment of his aggregate monthly contributions; and
- 10.1.7. the date on which the Option Holder purports to transfer, charge or otherwise alienate the Option.

11. ADJUSTMENT OF OPTIONS ON REORGANISATION

11.1. Power to adjust Options

In the event of a Reorganisation, the number of Plan Shares subject to an Option, the description of the Plan Shares, the Exercise Price, or any one or more of these, may be adjusted in such manner as the Board or, where the Trustees are the Grantor, the Trustees and the Board together determine.

11.2. Exercise Price

Subject to Rule 11.3, no adjustment shall be made to the Exercise Price which would result in the Plan Shares subject to an Option being issued directly to the Option Holder at a price per Plan Share lower than the nominal value of a Plan Share and, if an adjustment would so result, the Exercise Price shall be the nominal value of a Plan Share.

11.3. Capitalisation of reserves

Notwithstanding Rule 11.2, an adjustment may be made which would result in the Plan Shares subject to an Option being issued at a price per Plan Share lower than the nominal value of a Plan Share if and to the extent that the Board is authorised to capitalise from the Company's reserves a sum equal to the amount by which the aggregate nominal value of the Plan Shares subject to the Options which are adjusted exceeds the aggregate adjusted Exercise Price under such Options. If such an adjustment is made, on the subsequent exercise of the Option, the Board shall capitalise such sum and apply the sum in paying up such excess.

11.4. HM Revenue & Customs approval

An adjustment shall not have effect until the adjustment has been approved by HM Revenue & Customs, if so required.

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11.5. Notification of Option Holders

The Grantor shall, as soon as reasonably practicable, notify each Option Holder of any adjustment made under this Rule 11 and explain how this affects his position under the Plan. The Grantor may call in for endorsement or cancellation and re-issue any Option Certificate in order to take account of such adjustment.

12. ISSUE AND AVAILABILITY OF PLAN SHARES

12.1. Rights attaching to Plan Shares

All Plan Shares issued in respect of exercise of an Option shall, as to voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the Plan Shares in issue at the date of such issue save as regards any rights attaching to such Plan Shares by reference to a record date prior to the date of such issue.

12.2. Availability of Plan Shares

The Company shall at all times use its reasonable endeavours to keep available sufficient authorised but unissued Plan Shares to satisfy the exercise of all Options which the Board has determined will be satisfied by the issue of Plan Shares (whether directly to the Option Holder or indirectly via the Trustees).

13. RELATIONSHIP OF PLAN TO CONTRACT OF EMPLOYMENT

13.1. Contractual Provisions

Notwithstanding any other provision of the Plan:

- 13.1.1. the Plan shall not form part of any contract of employment between any Group Member and an Eligible Employee;
- 13.1.2. unless expressly so provided in his contract of employment, an Eligible Employee has no right to be granted an Option;
- 13.1.3. the benefit to an Eligible Employee of participation in the Plan (including, in particular but not by way of limitation, any Options held by him) shall not form any part of his remuneration or count as his remuneration for any purpose and, for the purposes of his contract of employment, shall not be pensionable; and
- 13.1.4. if an Eligible Employee ceases to be in Relevant Employment, he shall not be entitled to compensation for the loss of any right or benefit or prospective right or benefit under the Plan (including, in particular but not by way of limitation, any Options held by him which lapse by reason of his ceasing to be in Relevant Employment) whether by way of damages for unfair dismissal, wrongful dismissal, breach of contract or otherwise.

By applying for an Option an Option Holder is deemed to have agreed to the provisions of this Rule 13.

14. ADMINISTRATION OF PLAN

14.1. Responsibility for administration

The Company, and the Grantor where appropriate, shall be responsible for, and shall have the conduct of, the administration of the Plan. The Grantor may from time to time make, amend or rescind regulations for the administration of the Plan provided that such regulations shall be consistent

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with the Rules and not cause any of the provisions of Schedule 3 which are relevant to the Plan to cease to be satisfied.

14.2. Grantor's decision final and binding

The decision of the Grantor shall be final and binding in all matters relating to the administration of the Plan, including but not limited to the resolution of any dispute concerning, or any inconsistency or ambiguity in the Rules or any document used in connection with the Plan.

14.3. Trustees to consult with Board

Where the Trustees have granted, or propose to grant, an Option, the Trustees shall consult with, and take account of the wishes of, the Board before making any determination or exercising any power or discretion under the Plan.

14.4. Provision of information

The Trustees and an Option Holder shall provide to the Company as soon as reasonably practicable such information as the Company reasonably requests for the purpose of complying with its obligations under paragraph 45 of Schedule 3.

14.5. Cost of Plan

The cost of introducing and administering the Plan shall be met by the Company. The Company shall be entitled, if it wishes, to charge an appropriate part of such cost to a Subsidiary. The Company shall also be entitled, if it wishes, to charge to a Subsidiary the opportunity cost of issuing Plan Shares to an Option Holder employed by the Subsidiary in relation to his exercise of an Option.

14.6. Establishment of separate plans for overseas territories

The Company may establish separate plans to operate in overseas territories or in respect of overseas employees which are on substantially the same terms as the Plan but which make such modifications to the terms as are necessary or expedient to take account of local tax, exchange control or securities laws in any one or more overseas territories (a "Modified Plan"). Rule 4 shall apply so as to limit the number of Plan Shares which may be placed under Option under a Modified Plan and Plan Shares placed under an Option granted under a Modified Plan shall be included for the purpose of the limit set out in Rule 4.

For the avoidance of doubt, such plans shall not be intended to be subject to HM Revenue & Customs approval under Schedule 3 and no modifications made in accordance with this clause shall affect the Plan.

14.7. Data protection

By applying for an Option, an Option Holder is deemed to consent to the holding and processing of personal data provided by the Option Holder to the Company for all purposes relating to the operation of the Plan.

15. AMENDMENT OF PLAN

15.1. Power to amend Plan

Subject to Rules 15.2 to 15.3, the Board may from time to time amend the rules of the Plan.

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15.2. HM Revenue & Customs approval of amendments

Save for an amendment pursuant to Rule 8.5, an amendment to a Key Feature of the Plan shall not have effect at a time when the Plan is approved by HM Revenue & Customs, until the amendment has been approved by HM Revenue & Customs under Schedule 3, but only to the extent that such approval is required.

15.3. Rights of existing Option Holders

An amendment may not adversely affect the rights of an existing Option Holder except where the amendment has been approved by those existing Option Holders who would be adversely affected by the amendment in such manner as would be required by the Company's articles of association (with appropriate changes) if the Plan Shares subject to those Options which would be so adversely affected had been issued or transferred to them (so that they had become shareholders in the Company) and constituted a separate class of shares.

15.4. Notification of Option Holders

The Board shall, as soon as reasonably practicable, notify each Option Holder of any amendment to the Rules under this Rule 15 and explain how it affects his position under the Plan.

16. NOTICES

16.1. Notice by Grantor

Save as provided for by law and subject to Rule 16.4, any notice, document or other communication given by, or on behalf of, the Grantor or to any person in connection with the Plan shall be deemed to have been duly given if delivered to him at his place of work, if he is in Relevant Employment if sent by e-mail to such e-mail address as may be specified by him from time to time, or sent through the post in a pre-paid envelope to the postal address last known to the Company to be his address and, if so sent, shall be deemed to have been duly given on the date of posting.

16.2. Deceased Option Holders

Save as provided for by law and subject to Rule 16.4, any notice, document or other communication so sent to an Option Holder shall be deemed to have been duly given notwithstanding that such Option Holder is then deceased (and whether or not the Grantor has notice of his death) except where his personal representatives have established their title to the satisfaction of the Grantor and supplied to the Grantor an e-mail or postal address to which notices, documents and other communications are to be sent.

16.3. Notice to Grantor

Save as provided for by law and subject to Rule 16.4, any notice, document or other communication given to the Grantor in connection with the Plan shall be delivered or sent by post to the Company Secretary at the Company's registered office or such other e-mail or postal address as may from time to time be notified to Option Holders but shall not in any event be duly given unless and until it is actually received at the registered office or such e-mail or postal address and shall be deemed to have been duly given on the date of such receipt.

16.4. Option Certificate and Notice of Option

For the avoidance of doubt, the Option Certificate and Notice of Option may not be executed or delivered by e-mail or other such similar electronic communication.

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17. GOVERNING LAW AND JURISDICTION

17.1. Plan governed by English law

The formation, existence, construction, performance, validity and all aspects whatsoever of the Plan, any term of the Plan and any Option granted under it shall be governed by English law.

17.2. English courts to have jurisdiction

The English courts shall have jurisdiction to settle any dispute which may arise out of, or in connection with, the Plan.

17.3. Jurisdiction agreement for benefit of Company

The jurisdiction agreement contained in this Rule 17 is made for the benefit of the Company only, which accordingly retains the right to bring proceedings in any other court of competent jurisdiction.

17.4. Option Holder deemed to submit to such jurisdiction

By executing and returning the Option Certificate to the Grantor, an Option Holder is deemed to have agreed to submit to such jurisdiction.

