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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended September 29, 2017

or

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

001-33260
(Commission File Number)

TE CONNECTIVITY LTD.

(Exact name of registrant as specified in its charter)

Switzerland	**98-0518048**
(Jurisdiction of Incorporation)	(IRS Employer Identification No.)

Rheinstrasse 20, CH-8200 Schaffhausen, Switzerland
(Address of principal executive offices)

+41 (0)52 633 66 61
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Shares, Par Value CHF 0.57	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. Yes ☐ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the registrant's common shares held by non-affiliates of the registrant was $26.4 billion as of March 31, 2017, the last business day of the registrant's most recently completed second fiscal quarter. Directors and executive officers of the registrant are considered affiliates for purposes of this calculation but should not necessarily be deemed affiliates for any other purpose.

The number of common shares outstanding as of November 9, 2017 was 351,637,204.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement to be filed in connection with the registrant's 2018 annual general meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

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SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this Annual Report that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among others, the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, acquisitions, divestitures, the effects of competition, and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "continue," "may," "should," or the negative of these terms or similar expressions.

Forward-looking statements involve risks, uncertainties, and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. Investors should not place undue reliance on any forward-looking statements. We do not have any intention or obligation to update forward-looking statements after we file this report except as required by law.

The risk factors discussed in "Risk Factors" and other risks identified in this Annual Report could cause our results to differ materially from those expressed in forward-looking statements. There may be other risks and uncertainties that we are unable to predict at this time or that we currently do not expect to have a material adverse effect on our business.

PART I

ITEM 1. BUSINESS

General

TE Connectivity Ltd. ("TE Connectivity" or the "Company," which may be referred to as "we," "us," or "our") is a global technology and manufacturing leader creating a safer, sustainable, productive, and connected future. Our connectivity and sensor solutions, proven in the harshest environments, have enabled advancements in transportation, industrial applications, medical technology, energy, data communications, and the home.

We became an independent, publicly traded company in 2007; however, through our predecessor companies, we trace our foundations in the connectivity business back to 1941. We are organized under the laws of Switzerland. The rights of holders of our shares are governed by Swiss law, our Swiss articles of association, and our Swiss organizational regulations.

We have a 52- or 53-week fiscal year that ends on the last Friday of September. For fiscal years in which there are 53 weeks, the fourth quarter reporting period includes 14 weeks. Fiscal 2017, 2016, and 2015 ended on September 29, 2017, September 30, 2016, and September 25, 2015, respectively. Fiscal 2017 and 2015 were 52 weeks in length. Fiscal 2016 was a 53-week year.

Segments

We operate through three reportable segments: Transportation Solutions, Industrial Solutions, and Communications Solutions. We believe our segments serve a combined market of approximately $180 billion.

Our net sales by segment as a percentage of our total net sales were as follows:

	Fiscal		
	2017	2016	2015
Transportation Solutions	53%	53%	52%
Industrial Solutions	27	26	26
Communications Solutions	20	21	22
Total	100%	100%	100%

Below is a description of our reportable segments and the primary products, markets, and competitors of each segment. See Notes 1 and 21 to the Consolidated Financial Statements for additional information regarding our segments.

Transportation Solutions

The Transportation Solutions segment is a leader in connectivity and sensor technologies. The primary products sold by the Transportation Solutions segment include terminals and connector systems and components; sensors; relays; application tooling; and wire and heat shrink tubing. The Transportation Solutions segment's products, which must withstand harsh conditions, are used in the following end markets:

- *Automotive (74% of segment's net sales).* We are one of the leading providers of advanced automobile connectivity solutions. The automotive industry uses our products in automotive technologies for body and chassis systems, convenience applications, driver information, infotainment solutions, miniaturization solutions, motor and powertrain applications, and safety and security systems. Hybrid and electronic mobility solutions include in-vehicle technologies, battery technologies, and charging solutions.

- *Commercial transportation (14% of segment's net sales).* We deliver reliable connectivity products designed to withstand harsh environmental conditions for on- and off-highway vehicles and recreational transportation, including heavy trucks, construction, agriculture, buses, and other vehicles.

- *Sensors (12% of segment's net sales).* We offer a portfolio of intelligent, efficient, and high-performing sensor solutions that are used by customers across multiple industries, including automotive, industrial equipment, commercial transportation, medical solutions, aerospace and defense, and consumer applications.

The Transportation Solutions segment's major competitors include Yazaki, Delphi, Sumitomo, Sensata, Honeywell, Molex, and Amphenol.

Industrial Solutions

The Industrial Solutions segment is a leading supplier of products that connect and distribute power, data, and signals. The primary products sold by the Industrial Solutions segment include terminals and connector systems and components; heat shrink tubing; relays; and wire and cable. The Industrial Solutions segment's products are used in the following markets:

- *Industrial equipment (50% of segment's net sales).* Our products are used in factory automation and process control systems such as industrial controls, robotics, human machine interface, industrial communication, and power distribution. Our intelligent building products are used to connect lighting, HVAC, elevators/escalators, and security. Our rail products are used in high-speed trains, metros, light rail vehicles, locomotives, and signaling switching equipment. Also, our products are used by the solar industry. The medical industry uses our products in imaging, diagnostic, therapeutic, surgical, tubing, and minimally invasive interventional applications.

- *Aerospace, defense, oil, and gas (31% of segment's net sales).* We provide components and solutions for the commercial aerospace industry from the initial stages of aircraft design to aftermarket support. Our defense products include ruggedized electronic interconnects serving military aviation, marine, and ground vehicles including electronic warfare and space systems. Our oil and gas products include cables and electronics used for harsh subsea environments in the offshore oil and gas and civil marine industries and in shipboard, subsea, and sonar applications.

- *Energy (19% of segment's net sales).* Our products are used by OEMs and utility companies in the electrical power industry and include a wide range of solutions for the electrical power generation, transmission, distribution, and industrial markets.

The Industrial Solutions segment competes primarily against Amphenol, Belden, Hubbell, Carlisle Companies, 3M, Integer Holdings, Esterline, Molex, and Phoenix Contact.

Communications Solutions

The Communications Solutions segment is a leading supplier of electronic components for the data and devices and the appliances markets. We are also a leader in developing, manufacturing, installing, and maintaining some of the world's most advanced subsea fiber optic communications systems. The primary products sold by the Communications Solutions segment include terminals and connector systems and components; undersea telecommunication systems; relays; heat shrink tubing; and antennas. The Communications Solutions segment's products are used in the following markets:

- *Data and devices (38% of segment's net sales).* We deliver products and solutions that are used in a variety of equipment architectures within the networking equipment, data center equipment, and wireless infrastructure industries. Additionally, we deliver a range of connectivity solutions for the Internet of Things, smart phones, tablet computers, notebooks, and virtual reality applications to help our customers meet their current challenges and future innovations.

- *Subsea communications (36% of segment's net sales).* Our products are used in undersea fiber optic telecommunication systems. With vertically integrated undersea communications systems and services, we support the telecommunications and oil and gas industries and other customers seeking marine services.

- *Appliances (26% of segment's net sales).* We provide solutions to meet the daily demands of home appliances. Our products are used in many household appliances, including washers, dryers, refrigerators, air conditioners, dishwashers, cooking appliances, water heaters, and microwaves. Our expansive range of standard products is supplemented by an array of custom-designed solutions.

The Communications Solutions segment's major competitors include Amphenol, Molex, JST, and Korea Electric Terminal (KET). Also, the Subsea Communications business competes against Nokia (Alcatel-Lucent Submarine Networks) and NEC.

Customers

As an industry leader, we have established close working relationships with many of our customers. These relationships allow us to better anticipate and respond to customer needs when designing new products and new technical solutions. By working with our customers in developing new products and technologies, we believe we can identify and act on trends and leverage knowledge about next-generation technology across our products.

Our approach to our customers is driven by our dedication to further develop our product families and ensure that we are globally positioned to best provide our customers with sales and engineering support. We believe that as electronic component technologies continue to proliferate, our broad product portfolio and engineering capability give us a potential competitive advantage when addressing the needs of our global customers.

We manufacture and sell a broad portfolio of products to customers in various industries. Our customers include many of the leaders in their respective industries, and our relationships with them typically date back many years. We believe that this diversified customer base provides us an opportunity to leverage our skills and experience across markets and reduce our exposure to individual end markets, thereby reducing the variability of our financial performance. Additionally, we believe that the diversity of our customer base reduces the level of cyclicality in our results and distinguishes us from our competitors.

No single customer accounted for a significant amount of our net sales in fiscal 2017, 2016, or 2015.

Sales and Distribution

We maintain a strong local presence in each of the geographic regions in which we operate. Our net sales by geographic region [1] as a percentage of our total net sales were as follows:

	Fiscal		
	2017	2016	2015
Americas [2]	34%	34%	34%
Europe/Middle East/Africa ("EMEA")	34	34	33
Asia–Pacific	32	32	33
Total	100%	100%	100%

(1) Net sales to external customers are attributed to individual countries based on the legal entity that records the sale.

(2) The Americas region includes our Subsea Communications business.

See Note 21 to the Consolidated Financial Statements for additional geographic information relating to our business.

We sell our products into approximately 150 countries primarily through direct selling efforts to manufacturers. We also sell our products indirectly via third-party distributors. In fiscal 2017, our direct sales represented approximately 80% of total net sales.

We maintain distribution centers around the world. Our global coverage positions us near our customers' locations and allows us to assist them in consolidating their supply base and lowering their production costs. We believe our balanced sales distribution lowers our exposure to any particular geography and improves our financial profile.

Products are generally delivered to distribution centers by our manufacturing facilities and then subsequently delivered to the customer. In some instances, however, products are delivered directly from our manufacturing facility to the customer. We contract with a wide range of transport providers to deliver our products via road, rail, sea, and air.

Seasonality and Backlog

We experience a slight seasonal pattern to our business. Overall, the third and fourth fiscal quarters are typically the strongest quarters of our fiscal year, whereas the first fiscal quarter is negatively affected by holidays and the second fiscal quarter may be affected by adverse winter weather conditions in some of our markets.

Certain of our end markets experience some seasonality. Our sales into the automotive market are dependent upon global automotive production, and seasonal declines in European production may negatively impact net sales in the fourth fiscal quarter. Also, our sales into the energy market typically increase in the third and fourth fiscal quarters as customer activity increases.

Customer orders typically fluctuate from quarter to quarter based upon business conditions and cancellation of unfilled orders prior to shipment of goods. Backlog by reportable segment was as follows:

	Fiscal Year End 2017	Fiscal Year End 2016
	(in millions)	
Transportation Solutions	$ 1,681	$ 1,343
Industrial Solutions	1,032	875
Communications Solutions [1]	1,157	1,387
Total	$ 3,870	$ 3,605

(1) Includes our Subsea Communications business' backlog of $739 million and $1,047 million at fiscal year end 2017 and 2016, respectively. Subsea Communications is a project-based business; its backlog may fluctuate as a result of program timing.

We expect that the majority of our backlog at fiscal year end 2017 will be filled during fiscal 2018.

Competition

The industries in which we operate are highly competitive, and we compete with thousands of companies that range from large multinational corporations to local manufacturers. Competition is generally based on breadth of product offering, product innovation, price, quality, delivery, and service. Our markets have generally been growing but with downward pressure on prices.

Raw Materials

We use a wide variety of raw materials in the manufacture of our products. The principal raw materials that we use include plastic resins for molding; precious metals such as gold and silver for plating; and other metals such as copper, aluminum, brass, and steel for manufacturing cable, contacts, and other parts that are used for cable and component bodies and inserts. Many of these raw materials are produced in a limited number of countries around the world or are only available from a limited number of suppliers. The prices of these materials are driven by global supply and demand.

Research and Development

We are engaged in both internal and external research and development in an effort to introduce new products to enhance the effectiveness, ease of use, safety, and reliability of our existing products, and to expand the applications for which the uses of our products are appropriate. We continually evaluate developing technologies in areas where we may have technological or marketing expertise for possible investment or acquisition.

Our research and development expense was as follows:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
Transportation Solutions	$ 344	$ 312	$ 262
Industrial Solutions	137	136	128
Communications Solutions	114	118	150
Total	$ 595	$ 566	$ 540

Our capital spending and investment in product and process engineering and development enable us to consistently provide innovative, high-quality products with efficient manufacturing methods. In fiscal 2017, we derived approximately 20% of our net sales from new products, including product extensions, introduced within the previous three fiscal years.

Intellectual Property

Patents and other proprietary rights are important to our business. We also rely upon trade secrets, manufacturing know-how, continuing technological innovations, and licensing opportunities to maintain and improve our competitive position. We review third-party proprietary rights, including patents and patent applications, as available, in an effort to develop an effective intellectual property strategy, avoid infringement of third-party proprietary rights, identify licensing opportunities, and monitor the intellectual property claims of others.

We own a large portfolio of patents that relate principally to electrical, optical, and electronic products. We also own a portfolio of trademarks and are a licensee of various patents and trademarks. Patents for individual products extend for varying periods according to the date of patent filing or grant and the legal term of patents in the various countries where patent protection is obtained. Trademark rights may potentially extend for longer periods of time and are dependent upon national laws and use of the trademarks.

While we consider our patents and trademarks to be valued assets, we do not believe that our competitive position or our operations are dependent upon or would be materially impacted by any single patent or group of related patents.

Management Team and Employees

We believe our management team has the experience necessary to effectively execute our strategy and advance our product and technology leadership. Our chief executive officer and segment leaders average over 25 years of industry experience. They are supported by an experienced and talented management team who is dedicated to maintaining and expanding our position as a global leader in the industry.

Our strong employee base, along with their commitment to uncompromising values, provides the foundation of our company's success. We continue to emphasize employee development and training, and we embrace diversity and inclusion.

We have employees located throughout the world. As of fiscal year end 2017, we employed approximately 78,000 people worldwide, of whom 24,000 were in the Americas region, 29,000 were in the EMEA region, and 25,000 were in the Asia–Pacific region. Of our total employees, approximately 49,000 were employed in manufacturing.

Government Regulation and Supervision

The import and export of products are subject to regulation by the various jurisdictions where we conduct business. A small portion of our products, including defense-related products, may require governmental import and export licenses, whose issuance may be influenced by geopolitical and other events. We have a trade compliance organization and other systems in place to apply for licenses and otherwise comply with such regulations. Any failure to maintain compliance with domestic and foreign trade regulation could limit our ability to import and export raw materials and finished goods into or from the relevant jurisdiction.

Environmental

Our operations are subject to numerous environmental, health, and safety laws and regulations, including those regulating the discharge of materials into the environment, greenhouse gas emissions, hazardous materials in products, and chemical usage. We are committed to complying with these laws and to the protection of our employees and the environment. We maintain a global environmental, health, and safety program that includes appropriate policies and standards; staff dedicated to environmental, health, and safety issues; periodic compliance auditing; training; and other measures. We also have a program for compliance with the European Union ("EU") Restriction of Hazardous Substances and Waste Electrical and Electronic Equipment Directives, the China Restriction of Hazardous Substances law, the EU Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") Regulation, and similar laws.

Compliance with these laws has increased our costs of doing business in a variety of ways and may continue to do so in the future. For example, laws regarding product content and chemical registration require extensive and costly data collection, management, and reporting, and laws regulating greenhouse gas emissions may increase our costs for energy and certain materials and products. We also have projects underway at a number of current and former manufacturing sites to investigate and remediate environmental contamination resulting from past operations. Based upon our experience, available information, and applicable laws, as of fiscal year end 2017, we concluded that it was probable that we would incur investigation and remediation costs at these sites in the range of $15 million to $43 million, and that the best estimate within this range was $19 million. We do not anticipate any material capital expenditures during fiscal 2018 for environmental control facilities or other costs of compliance with laws or regulations relating to greenhouse gas emissions.

Available Information

All periodic and current reports, registration filings, and other filings that we are required to file with the United States Securities and Exchange Commission ("SEC"), including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") are available free of charge through our internet website at *www.te.com* . Such documents are available as soon as reasonably practicable after electronic filing or furnishing of the material with the SEC. The information on our website is not incorporated by reference in this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Investors should carefully consider the risks described below before investing in our securities. These risks are not the only ones facing us. Our business is also subject to general risks that affect many other companies. Additional risks not currently known to us or that we currently believe are immaterial may also impair our business operations, financial condition, and liquidity.

Risks Relating to the Macroeconomic Environment and Our Global Presence

Conditions in global or regional economies, capital and money markets, and banking systems, and cyclical industry demand may adversely affect our results of operations, financial position, and cash flows.

Our business and operating results have been and will continue to be affected by economic conditions regionally or globally, including the cost and availability of consumer and business credit, end demand from consumer and industrial markets, and concerns as to sovereign debt levels including credit rating downgrades and defaults on sovereign debt and significant bank failures or defaults. Any of these economic factors could cause our customers to experience deterioration of their businesses, cash flow, and ability to obtain financing. As a result, existing or potential customers may delay or cancel plans to purchase our products and may not be able to fulfill their obligations to us in a timely fashion or in full. Further, our vendors may experience similar problems, which may impact their ability to fulfill our orders or meet agreed service and quality levels. If regional or global economic conditions deteriorate, our results of operations, financial position, and cash flows could be materially adversely affected. Also, deterioration in economic conditions could trigger the recognition of impairment charges for our goodwill or other long-lived assets. Impairment charges, if any, may be material to our results of operations and financial position.

Foreign currency exchange rates may adversely affect our results.

A significant portion of our business is conducted outside the United States ("U.S."), and changes in the relative values of currencies may have a significant effect on our results of operations, financial position, and cash flows.

We are exposed to the effects of changes in foreign currency exchange rates on our costs and revenue. Approximately 55% of our net sales for fiscal 2017 were invoiced in currencies other than the U.S. dollar, and we expect non-U.S. dollar revenue to continue to represent a significant portion of our future net revenue. We have elected not to hedge this foreign currency exposure. Therefore, when the U.S. dollar strengthens in relation to the currencies of the countries where we sell our products, such as the euro or Asian currencies, our U.S. dollar reported revenue and income will decrease.

We manage certain cash, intercompany, and other balance sheet currency exposures in part by entering into financial derivative contracts. In addition to the risk of non-performance by the counterparty to these contracts, our efforts to manage these risks might not be successful.

We could suffer significant business interruptions.

Our operations and those of our suppliers and customers, and the supply chains that support their operations, may be vulnerable to interruption by natural disasters such as earthquakes, tsunamis, typhoons, or floods; or other disasters such as fires, explosions, acts of terrorism or war, disease, or failures of management information or other systems due to internal or external causes. If a business interruption occurs and we are unsuccessful in our continuing efforts to minimize the impact of these events, our business, results of operations, financial position, and cash flows could be materially adversely affected.

We could be adversely affected by a decline in the market value of our pension plans' investment portfolios or a reduction in returns on plan assets.

Concerns about deterioration in the global economy, together with concerns about credit, inflation, or deflation, have caused and could continue to cause significant volatility in the price of all securities, including fixed income and equity securities, which has reduced and could further reduce the value of our pension plans' investment portfolios. In addition, the expected returns on plan assets may not be achieved. A decrease in the value of our pension plans' investment portfolios or a reduction in returns on plan assets could have an adverse effect on our results of operations, financial position, and cash flows.

Disruption in credit markets and volatility in equity markets may affect our ability to access sufficient funding.

The global equity markets have been volatile and at times credit markets have been disrupted, which has reduced the availability of investment capital and credit. Downgrades of sovereign debt credit ratings have similarly affected the availability and cost of capital. As a result, we may be unable to access adequate funding to operate and grow our business. Our inability to access adequate funding or to generate sufficient cash from operations may require us to reconsider certain projects and capital expenditures. The extent of any impact will depend on several factors, including our operating cash flows, the duration of tight credit conditions and volatile equity markets, our credit ratings and credit capacity, the cost of financing, and other general economic and business conditions.

We are subject to global risks of political, economic, and military instability.

Our workforce; manufacturing, research, administrative, and sales facilities; markets; customers; and suppliers are located throughout the world. As a result, we are exposed to risks that could negatively affect sales or profitability, including:

- tariffs, trade barriers, and trade disputes;
- regulations related to customs and import/export matters;
- variations in lengths of payment cycles and challenges in collecting accounts receivable;
- tax law and regulatory changes in the U.S. and EU among other jurisdictions, including tax law and regulatory changes that may be effected as a result of tax policy recommendations from quasi-governmental organizations such as the Organisation for Economic Co-operation and Development ("OECD"), examinations by taxing authorities, variations in tax laws from country to country, changes to the terms of income tax treaties, and difficulties in the tax-efficient repatriation of cash generated or held in a number of jurisdictions;
- employment regulations and local labor conditions, including increases in employment costs, particularly in low-cost regions in which we currently operate;
- difficulties protecting intellectual property;
- instability in economic or political conditions, including sovereign debt levels, Eurozone uncertainty, inflation, recession, actual or anticipated military or political conflicts, and any impact as a result of the expected exit of the United Kingdom from the EU; and
- the impact of each of the foregoing on our outsourcing and procurement arrangements.

We have sizeable operations in China, including 14 manufacturing sites. In addition, approximately 18% of our net sales in fiscal 2017 were made to customers in China. Economic conditions in China have been and may continue to be volatile and uncertain. In addition, the legal and regulatory system in China is still developing and subject to change. Accordingly, our operations and transactions with customers in China could be adversely affected by changes to market conditions, changes to the regulatory environment, or interpretation of Chinese law.

In addition, any downgrade by rating agencies of long-term U.S. sovereign debt or downgrades or defaults of sovereign debt of other nations may negatively affect global financial markets and economic conditions, which could negatively affect our business, financial condition, and liquidity.

Risks Relating to the Industry in Which We Operate

We are dependent on the automotive and other industries.

We are dependent on end market dynamics to sell our products, and our operating results could be adversely affected by cyclical and reduced demand in these markets. Periodic downturns in our customers' industries can significantly reduce demand for certain of our products, which could have a material adverse effect on our results of operations, financial position, and cash flows.

Approximately 40% of our net sales for fiscal 2017 were to customers in the automotive industry. The automotive industry is dominated by large manufacturers that can exert significant price pressure on their suppliers. Additionally, the automotive industry has historically experienced significant downturns during periods of deteriorating global or regional economic or credit conditions. As a supplier of automotive electronics products, our sales of these products and our profitability have been and could continue to be negatively affected by significant declines in global or regional economic and credit conditions and changes in the operations, products, business models, part-sourcing requirements, financial condition, and market share of automotive manufacturers, as well as potential consolidations among automotive manufacturers.

During fiscal 2017, approximately 13% of our net sales were to customers in the industrial equipment end market; 8% of our net sales were to customers in the aerospace, defense, oil, and gas end market; and 8% of our net sales were to customers in the commercial transportation market. Demand for industrial equipment is dependent upon economic conditions, including customer investment in intelligent buildings, factory automation, and process control systems, as well as market conditions in the medical, rail transportation, solar and lighting, and other major industrial markets we serve. The aerospace and defense industry has undergone significant fluctuations in demand, depending on worldwide economic and political conditions. Demand in the oil and gas market is impacted by oil price volatility. The commercial transportation industry can experience variability in demand depending on the economic environment and market conditions in the heavy truck, construction, agriculture, and recreational vehicle markets.

We encounter competition in substantially all areas of the electronic components industry.

We operate in highly competitive markets for electronic components, and expect that both direct and indirect competition will increase in the future. Our overall competitive position depends on a number of factors including the price, quality, and performance of our products; the level of customer service; the development of new technology; our ability to participate in emerging markets; and customers' expectations relating to socially responsible operations. The competition we experience across product lines from other companies ranges in size from large, diversified manufacturers to small, highly specialized manufacturers. The electronic components industry has become increasingly concentrated and globalized in recent years, and our major competitors have significant financial resources and technological capabilities. A number of these competitors compete with us primarily on price, and in some instances may enjoy lower production costs for certain products. We cannot provide assurance that additional competitors will not enter our markets, or that we will be able to compete successfully against existing or new competitors. Increased competition may result in price reductions, reduced margins, or loss of market share, any of which could materially and adversely affect our results of operations, financial position, and cash flows.

We are dependent on market acceptance of our new product introductions and product innovations for future revenue.

Substantially all markets in which we operate are impacted by technological change or change in consumer tastes and preferences, which are rapid in certain end markets. Our operating results depend substantially upon our ability to continually design, develop, introduce, and sell new and innovative products; to modify existing products; and to customize products to meet customer requirements driven by such change. There are numerous risks inherent in these processes, including the risk that we will be unable to anticipate the direction of technological change or that we will be unable to develop and market profitable new products and applications in time to satisfy customer demands.

Like other suppliers to the electronics industry, we are subject to continuing pressure to lower our prices.

We have historically experienced, and we expect to continue to experience, continuing pressure to lower our prices. In recent years, we have experienced price erosion averaging from 1% to 2% each year. To maintain our margins, we must continue to reduce our costs by similar amounts. We cannot provide assurance that continuing pressures to reduce our prices will not have a material adverse effect on our margins, results of operations, financial position, and cash flows.

We may be negatively affected as our customers and vendors continue to consolidate.

Many of the industries to which we sell our products, as well as many of the industries from which we buy materials, have become more concentrated in recent years, including the automotive, data and devices, and aerospace and defense industries. Consolidation of customers may lead to decreased product purchases from us. In addition, as our customers buy in larger volumes, their volume buying power has increased, enabling them to negotiate more favorable pricing and find alternative sources from which to purchase. Our materials suppliers similarly have increased their ability to negotiate favorable pricing. These trends may adversely affect the margins on our products, particularly for commodity components.

The life cycles of certain of our products can be very short.

The life cycles of certain of our products can be very short relative to their development cycle. As a result, the resources devoted to product sales and marketing may not result in material revenue and, from time to time, we may need to write off excess or obsolete inventory or equipment. If we were to incur significant engineering expenses and investments in inventory and equipment that we were not able to recover, and we were not able to compensate for those expenses, our results of operations, financial position, and cash flows could be materially and adversely affected.

Risks Relating to Our Operations

Our results are sensitive to raw material availability, quality, and cost.

We are a large buyer of resins, chemicals and additives, and metals, including copper, gold, silver, aluminum, brass, steel, and zinc. Many of these raw materials are produced in a limited number of countries around the world or are only available from a limited number of suppliers. In addition, the price of many of these raw materials, including gold and copper, continues to fluctuate. If we have difficulty obtaining these raw materials, the quality of available raw materials deteriorates, or there are significant price increases for these raw materials, it could have a substantial impact on the price we pay for raw materials. To the extent we cannot compensate for cost increases through productivity improvements or price increases to our customers, our margins may decline, materially affecting our results of operations, financial position, and cash flows. In addition, we use financial instruments to hedge the volatility of certain commodities prices. The success of our hedging program depends on accurate forecasts of planned consumption of the hedged commodity materials. We could experience unanticipated hedge gains or losses if these forecasts are inaccurate.

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC established annual disclosure and reporting requirements for those companies who use tin, tantalum, tungsten, or gold ("conflict minerals" or "3TG") mined from the Democratic Republic of Congo ("DRC") and adjoining countries (together with the DRC, the "Covered Countries") in their products. These requirements could affect the sourcing, pricing, and availability of 3TG used in the manufacture of certain of our products. As a result, there may only be a limited pool of suppliers who can demonstrate that they do not source any 3TG from the Covered Countries, and we cannot provide assurance that we will be able to obtain non-conflict 3TG in sufficient quantities or at competitive prices. Further, since our supply chain is complex, we may face reputational challenges with our customers and other stakeholders if we are unable to sufficiently verify the origins and chain of custody for all conflict minerals used in our products through our due diligence procedures.

We may use components and products manufactured by third parties.

We may rely on third-party suppliers for the components used in our products, and we may rely on third-party manufacturers to manufacture certain of our assemblies and finished products. Our results of operations, financial position, and cash flows could be adversely affected if such third parties lack sufficient quality control or if there are significant changes in their financial or business condition. If these third parties fail to deliver quality products, parts, and components on time and at reasonable prices, we could have difficulties fulfilling our orders, sales and profits could decline, and our commercial reputation could be damaged.

Our future success is significantly dependent on our ability to attract and retain executive management employees, and limitations affecting retention and hiring, including Swiss regulations, could have a negative impact on our business and increase our expenses.

Our success depends to a significant extent upon our continued ability to retain our executive management employees and hire new executive management employees to replace, succeed, or add to members of our executive management team. Our executive management team has significant industry experience and would be difficult to replace. Competition for executive talent is intense, and we compete for these personnel with other companies that are regulated by the laws of jurisdictions that provide significantly greater flexibility than Switzerland, our jurisdiction of incorporation, in compensation practices for executive management employees.

Security breaches and other disruptions to our information technology infrastructure could interfere with our operations, compromise confidential information, and expose us to liability which could materially adversely impact our business and reputation.

Security breaches and other disruptions to our information technology infrastructure could interfere with our operations; compromise information belonging to us, our employees, customers, and suppliers; and expose us to liability which could adversely impact our business and reputation. In the normal course of business, we rely on information technology networks and systems, some of which are managed by third parties, to process, transmit, and store electronic information, and to manage or support a variety of business processes and activities. Additionally, we collect and store certain data, including proprietary business information and customer and employee data, and may have access to confidential or personal information in certain of our businesses that is subject to privacy and security laws, regulations, and customer-imposed controls. Despite our cybersecurity measures (including employee and third-party training, monitoring of networks and systems, and maintenance of backup and protective systems) which are continuously reviewed and upgraded to mitigate persistent and continuously evolving cyber security threats, our information technology networks and infrastructure may still be vulnerable to damage, disruptions, or shutdowns due to attack by hackers or breaches, employee error or malfeasance, power outages, computer viruses, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. Any such events could result in legal claims or proceedings, liability or penalties under privacy laws, disruption in operations, and damage to our reputation, which could materially adversely affect our business. While we have experienced, and expect to continue to experience, these types of threats to our information technology networks and infrastructure, to date none of these threats have had a material impact on our business or operations.

Covenants in our debt instruments may adversely affect us.

Our five-year unsecured senior revolving credit facility ("Credit Facility") contains financial and other covenants, such as a limit on the ratio of Consolidated Total Debt to Consolidated EBITDA (as defined in the Credit Facility) and limits on the amount of subsidiary debt and incurrence of liens. Our outstanding notes' indentures contain customary covenants including limits on incurrence of liens, sale and lease-back transactions, and our ability to consolidate, merge, and sell assets.

Although none of these covenants are presently restrictive to our operations, our continued ability to meet the Credit Facility financial covenant can be affected by events beyond our control, and we cannot provide assurance that we will continue to comply with the covenant. A breach of any of our covenants could result in a default under our Credit Facility or indentures. Upon the occurrence of certain defaults under our Credit Facility and indentures, the lenders or trustee could elect to declare all amounts outstanding thereunder to be immediately due and payable, and our lenders could terminate commitments to extend further credit under our Credit Facility. If the lenders or trustee accelerate the repayment of borrowings, we cannot provide assurance that we will have sufficient assets or access to lenders or capital markets to repay or fund the repayment of any amounts outstanding under our Credit Facility and our other affected indebtedness. Acceleration of any debt obligation under any of our material debt instruments may permit the holders or trustee of our other material debt to accelerate payment of debt obligations to the creditors thereunder.

The indentures governing our outstanding senior notes contain covenants that may require us to offer to buy back the notes for a price equal to 101% of the principal amount, plus accrued and unpaid interest to the repurchase date, upon a change of control triggering event (as defined in the indentures). We cannot provide assurance that we will have sufficient funds available or access to funding to repurchase tendered notes in that event, which could result in a default under the notes. Any future debt that we incur may contain covenants regarding repurchases in the event of a change of control triggering event.

The market price of our shares may fluctuate widely.

The market price of our shares may fluctuate widely, depending upon many factors, including:

- our quarterly or annual earnings;
- quarterly or annual sales or earnings guidance that we may provide or changes thereto;
- actual or anticipated fluctuations in our operating results;
- volatility in financial markets and market fluctuations caused by global and regional economic conditions and investors' concerns about potential risks to future economic growth;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- changes in accounting standards, policies, guidance, interpretations, or principles;
- tax legislative and regulatory actions and proposals in Switzerland, the U.S., and other jurisdictions;
- announcements by us or our competitors of significant acquisitions or dispositions; and
- the operating and stock price performance of comparable companies and companies that serve end markets important to our business.

Risks Relating to Strategic Transactions

Future acquisitions may not be successful.

We regularly evaluate the possible acquisition of strategic businesses, product lines, or technologies which have the potential to strengthen our market position or enhance our existing product offerings. We cannot provide assurance that we will identify or successfully complete transactions with acquisition candidates in the future. We also cannot provide assurance that completed acquisitions will be successful. If an acquired business fails to operate as anticipated or cannot be successfully integrated with our existing business, our results of operations, financial position, and cash flows could be materially and adversely affected.

Future acquisitions could require us to issue additional debt or equity.

If we were to make a substantial acquisition with cash, the acquisition may need to be financed in part through funding from banks, public offerings or private placements of debt or equity securities, or other arrangements. This acquisition financing might decrease our ratio of earnings to fixed charges and adversely affect other leverage measures. We cannot provide assurance that sufficient acquisition financing would be available to us on acceptable terms if and when required. If we were to make an acquisition partially or wholly funded by issuing equity securities or equity-linked securities, the issued securities may have a dilutive effect on the interests of the holders of our shares.

Divestitures of some of our businesses or product lines may have a material adverse effect on our results of operations, financial position, and cash flows.

We continue to evaluate the strategic fit of specific businesses and products which may result in additional divestitures. Any divestitures may result in significant write-offs, including those related to goodwill and other intangible assets, which could have a material adverse effect on our results of operations and financial position. Divestitures could involve additional risks, including difficulties in the separation of operations, services, products, and personnel; the diversion of management's attention from other business concerns; the disruption of our business; and the potential loss of key employees. There can be no assurance that we will be successful in addressing these or any other significant risks encountered.

Risks Relating to Intellectual Property, Litigation, and Regulations

Our ability to compete effectively depends, in part, on our ability to maintain the proprietary nature of our products and technology.

The electronics industry is characterized by litigation regarding patent and other intellectual property rights. Within this industry, companies have become more aggressive in asserting and defending patent claims against competitors. There can be no assurance that we will not be subject to future litigation alleging infringement or invalidity of certain of our intellectual property rights or that we will not have to pursue litigation to protect our property rights. Depending on the importance of the technology, product, patent, trademark, or trade secret in question, an unfavorable outcome regarding one of these matters may have a material adverse effect on our results of operations, financial position, and cash flows.

We are a defendant to a variety of litigation in the course of our business that could cause a material adverse effect on our results of operations, financial position, and cash flows.

In the normal course of business, we are, from time to time, a defendant in litigation, including litigation alleging the infringement of intellectual property rights, anti-competitive behavior, product liability, breach of contract, and employment-related claims. In certain circumstances, patent infringement and antitrust laws permit successful plaintiffs to recover treble damages. The defense of these lawsuits may divert our management's attention, and we may incur significant expenses in defending these lawsuits. In addition, we may be required to pay damage awards or settlements, or become subject to injunctions or other equitable remedies, that could cause a material adverse effect on our results of operations, financial position, and cash flows.

If any of our operations are found not to comply with applicable antitrust or competition laws or applicable trade regulations, our business may suffer.

Our operations are subject to applicable antitrust and competition laws in the jurisdictions in which we conduct our business, in particular the U.S. and the EU. These laws prohibit, among other things, anticompetitive agreements and practices. If any of our commercial agreements and practices with respect to the electronic components or other markets are found to violate or infringe such laws, we may be subject to civil and other penalties. We may also be subject to third-party claims for damages. Further, agreements that infringe these antitrust and competition laws may be void and unenforceable, in whole or in part, or require modification in order to be lawful and enforceable. If we are unable to enforce our commercial agreements, whether at all or in material part, our results of operations, financial position, and cash flows could be adversely affected. Further, any failure to maintain compliance with trade regulations could limit our ability to import and export raw materials and finished goods into or from the relevant jurisdiction, which could negatively impact our results of operations, financial position, and cash flows.

We could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the United Kingdom's Bribery Act, and similar worldwide anti-bribery laws.

The U.S. Foreign Corrupt Practices Act, the United Kingdom's Bribery Act, and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that have experienced governmental corruption to some degree, and in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. Despite our training and compliance program, we cannot provide assurance that our internal control policies and procedures always will protect us from reckless or criminal acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations, financial position, and cash flows.

Our operations expose us to the risk of material environmental liabilities, litigation, government enforcement actions, and reputational risk.

We are subject to numerous federal, state, and local environmental protection and health and safety laws and regulations in the various countries where we operate and where our products are sold. These laws and regulations govern, among other things:

- the generation, storage, use, and transportation of hazardous materials;
- emissions or discharges of substances into the environment;
- investigation and remediation of hazardous substances or materials at various sites;
- greenhouse gas emissions;
- product hazardous material content; and
- the health and safety of our employees.

We may not have been, or we may not always be, in compliance with all environmental and health and safety laws and regulations. If we violate these laws, we could be fined, criminally charged, or otherwise sanctioned by regulators. In addition, environmental and health and safety laws are becoming more stringent, resulting in increased costs and compliance burdens.

Certain environmental laws assess liability on current or previous owners or operators of real property for the costs of investigation, removal, and remediation of hazardous substances or materials at their properties or at properties at which they have disposed of hazardous substances. Liability for investigation, removal, and remediation costs under certain federal and state laws is retroactive, strict, and joint and several. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances. We have received notifications from the U.S. Environmental Protection Agency, other environmental agencies, and third parties that conditions at a number of currently and formerly-owned or operated sites where we and others have disposed of hazardous substances require investigation, cleanup, and other possible remedial action and require that we reimburse the government or otherwise pay for the costs of investigation and remediation and for natural resource damage claims from such sites. We also have independently investigated various sites and determined that further investigation and/or remediation is necessary.

While we plan for future capital and operating expenditures to maintain compliance with environmental laws, we cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws, or our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or adversely affect our results of operations, financial position, and cash flows or that we will not be subject to additional environmental claims for personal injury, property damage, and/or cleanup in the future based on our past, present, or future business activities.

Our products are subject to various requirements related to chemical usage, hazardous material content, and recycling.

The EU, China, and other jurisdictions in which our products are sold have enacted or are proposing to enact laws addressing environmental and other impacts from product disposal, use of hazardous materials in products, use of chemicals in manufacturing, recycling of products at the end of their useful life, and other related matters. These laws include but are not limited to the EU Restriction of Hazardous Substances, End of Life Vehicle, and Waste Electrical and Electronic Equipment Directives; the EU REACH Regulation; and the China law on Management Methods for Controlling Pollution by Electronic Information Products. These laws prohibit the use of certain substances in the manufacture of our products and directly and indirectly impose a variety of requirements for modification of manufacturing processes, registration, chemical testing, labeling, and other matters. These laws continue to proliferate and expand in these and other jurisdictions to address other materials and other aspects of our product manufacturing and sale. These laws could make the manufacture or sale of our products more expensive or impossible, could limit our ability to sell our products in certain jurisdictions, and could result in liability for product recalls, penalties, or other claims.

Risks Relating to Our Swiss Jurisdiction of Incorporation

As a Swiss corporation, we have less flexibility with respect to certain aspects of capital management involving the issuance of shares.

As a Swiss corporation, our board of directors may not declare and pay dividends or distributions on our shares or reclassify reserves on our standalone unconsolidated Swiss balance sheet without shareholder approval and without satisfying certain other requirements. In addition, our articles of association allow us to create authorized share capital that can be issued by the board of directors, but this authorization is limited to (i) authorized share capital up to 50% of the existing registered shares with such authorization valid for a maximum of two years, which authorization period ends on March 2, 2018, approved by our shareholders at our March 2, 2016 annual meeting of shareholders and (ii) conditional share capital of up to 50% of the existing registered shares that may be issued only for specific purposes. Additionally, subject to specified exceptions, Swiss law grants preemptive rights to existing shareholders to subscribe for new issuances of shares from authorized share capital and advance subscription rights to existing shareholders to subscribe for new issuances of shares from conditional share capital. Swiss law also does not provide much flexibility in the various terms that can attach to different classes of shares, and reserves for approval by shareholders many types of corporate actions, including the creation of shares with preferential rights with respect to liquidation, dividends, and/or voting. Moreover, under Swiss law, we generally may not issue registered shares for an amount below par value without prior shareholder approval to decrease the par value of our registered shares. Any such actions for which our shareholders must vote will require that we file a preliminary proxy statement with the SEC and convene a meeting of shareholders, which would delay the timing to execute such actions. Such limitations provide the board of directors less flexibility with respect to our capital management. While we do not believe that Swiss law requirements relating to the issuance of shares will have a material adverse effect on us, we cannot provide assurance that situations will not arise where such flexibility would have provided substantial benefits to our shareholders and such limitations on our capital management flexibility would make our stock less attractive to investors.

We might not be able to make distributions on our shares without subjecting shareholders to Swiss withholding tax.

In order to make distributions on our shares to shareholders free of Swiss withholding tax, we anticipate making distributions to shareholders through a reduction of contributed surplus (as determined for Swiss tax and statutory purposes). Various tax law and corporate law proposals in Switzerland, if passed in the future, may affect our ability to pay dividends or distributions to our shareholders free from Swiss withholding tax. There can be no assurance that we will be able to meet the legal requirements for future distributions to shareholders through dividends from contributed surplus or through a reduction of registered share capital, or that Swiss withholding rules would not be changed in the future. In addition, over the long term, the amount of registered share capital available for reductions will be limited. Our ability to pay dividends or distributions to our shareholders free from Swiss withholding tax is a significant component of our capital management and shareholder return practices that we believe is important to our shareholders, and any restriction on our ability to do so could make our stock less attractive to investors.

Currency fluctuations between the U.S. dollar and the Swiss franc may limit the amount available for any future distributions on our shares without subjecting shareholders to Swiss withholding tax.

Under Swiss law, the registered share capital in our unconsolidated Swiss statutory financial statements is required to be denominated in Swiss francs. Since distributions that are effected through a return of contributed surplus or registered share capital are expected to be paid in U.S. dollars, shareholder resolutions with respect to such distributions must take into account the Swiss francs denomination of the registered share capital. If the U.S. dollar were to increase in value relative to the Swiss franc, the U.S. dollar amount of registered share capital available for future distributions without Swiss withholding tax will decrease.

We have certain limitations on our ability to repurchase our shares.

The Swiss Code of Obligations regulates a corporation's ability to hold or repurchase its own shares. We and our subsidiaries may only repurchase shares to the extent that sufficient freely distributable reserves (including contributed surplus as determined for Swiss tax and statutory purposes) are available. The aggregate par value of our registered shares held by us and our subsidiaries may not exceed 10% of our registered share capital. We may repurchase our registered shares beyond the statutory limit of 10%, however, only if our shareholders have adopted a resolution at a general meeting of shareholders authorizing the board of directors to repurchase registered shares in an amount in excess of 10% and the repurchased shares are dedicated for cancellation. Additionally, various tax law and corporate law proposals in Switzerland, if passed in the future, may affect our ability to repurchase our shares. Our ability to repurchase our shares is a significant component of our capital management and shareholder return practices that we believe is important to our shareholders, and any restriction on our ability to repurchase our shares could make our stock less attractive to investors.

Registered holders of our shares must be registered as shareholders with voting rights in order to vote at shareholder meetings.

Our articles of association contain a provision regarding voting rights that is required by Swiss law for Swiss companies like us that issue registered shares (as opposed to bearer shares). This provision provides that to be able to exercise voting rights, holders of our shares must be registered in our share register (Aktienbuch) as shareholders with voting rights. Only shareholders whose shares have been registered with voting rights on the record date may participate in and vote at our shareholders' meetings, but all shareholders will be entitled to dividends, distributions, preemptive rights, advance subscription rights, and liquidation proceeds. The board of directors may, in its discretion, refuse to register shares as shares with voting rights if a shareholder does not fulfill certain disclosure requirements in our articles of association. Additionally, various proposals in Switzerland for corporate law changes, if passed in the future, may require shareholder registration in order to exercise voting rights for shareholders who hold their shares in street name through brokerages and banks. Such a registration requirement could make our stock less attractive to investors.

Certain provisions of our articles of association may reduce the likelihood of any unsolicited acquisition proposal or potential change of control that our shareholders might consider favorable.

Our articles of association contain provisions that could be considered "anti-takeover" provisions because they would make it harder for a third party to acquire us without the consent of our incumbent board of directors. Under these provisions, among others:

- shareholders may act only at shareholder meetings and not by written consent, and
- restrictions will apply to any merger or other business combination between our company and any holder of 15% or more of our issued voting shares who became such without the prior approval of our board of directors.

These provisions may only be amended by the affirmative vote of the holders of 80% of our issued voting shares, which could have the effect of discouraging an unsolicited acquisition proposal or delaying, deferring, or preventing a change of control transaction that might involve a premium price, or otherwise be considered favorable by our shareholders. Our articles of association also contain provisions permitting our board of directors to issue new shares from authorized or conditional capital (in either case, representing a maximum of 50% of the shares presently registered in the commercial register and in case of issuances from authorized capital, until March 2, 2018 unless re-authorized by shareholders for a subsequent two-year period) without shareholder approval and without regard for shareholders' preemptive rights or advance subscription rights, for the purpose of the defense of an actual, threatened, or potential unsolicited takeover bid, in relation to which the board of directors, upon consultation with an independent financial advisor, has not recommended acceptance to the shareholders. We note that Swiss courts have not addressed whether or not a takeover bid of this nature is an acceptable reason under Swiss law for withdrawing or limiting preemptive rights with respect to authorized share capital or advance subscription rights with respect to conditional share capital. In addition, the New York Stock Exchange ("NYSE"), on which our shares are listed, requires shareholder approval for issuances of shares equal to 20% or more of the outstanding shares or voting power, with limited exceptions.

Legislative and regulatory actions and proposals in Switzerland, the U.S., and other jurisdictions could cause a material change in our worldwide effective corporate tax rate.

Various U.S. and non-U.S. legislative and regulatory proposals have been directed at multinational companies with operations in lower-tax jurisdictions. There has been heightened focus on adoption of such legislation and on other initiatives, such as:

- the OECD's initiative to develop agreed-upon best practices to prevent base erosion and profit shifting, which contemplate changes to numerous long-standing tax principles related to the distribution of profits between affiliated entities in different tax jurisdictions,
- corporate tax reform in Switzerland, which is proposed in response to OECD and EU concerns,
- EU and other country efforts to adopt certain OECD proposals and modified OECD proposals (including the Anti-Tax Avoidance Directive, state aid cases, and various transparency proposals), and
- tax policy in the U.S., such as federal tax reform and revisions to the Model Income Tax Treaty.

If these proposals are adopted in the main jurisdictions in which we do business, they could, among other things, cause double taxation, increase audit risk, and materially increase our worldwide corporate effective tax rate. We cannot predict the outcome of any specific legislative proposals or initiatives, and we cannot provide assurance that any such legislation or initiative will not apply to us.

Legislation in the U.S. could adversely impact our results of operations, financial position, and cash flows.

Various U.S. federal and state legislative proposals have been introduced in recent years that may negatively impact the growth of our business by denying government contracts to U.S. companies that have moved to lower-tax jurisdictions.

We expect the U.S. Congress to continue to consider implementation and/or expansion of policies that would restrict the federal and state governments from contracting with entities that have corporate locations abroad. We cannot predict the likelihood that, or final form in which, any such proposed legislation might become law, the nature of regulations that may be promulgated under any future legislative enactments, the effect such enactments and increased regulatory scrutiny may have on our business, or the outcome of any specific legislative proposals. Therefore, we cannot provide assurance that any such legislative action will not apply to us. In addition, we are unable to predict whether the final form of any potential legislation discussed above also would affect our indirect sales to U.S. federal or state governments or the willingness of our non-governmental customers to do business with us. As a result of these uncertainties, we are unable to assess the potential impact of any proposed legislation in this area and cannot provide assurance that the impact will not be materially adverse to us.

Swiss law differs from the laws in effect in the U.S. and may afford less protection to holders of our securities.

As we are organized under the laws of Switzerland, it may not be possible to enforce court judgments obtained in the U.S. against us in Switzerland based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Switzerland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liability provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U.S. and Switzerland currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Some remedies available under the laws of U.S. jurisdictions, including some remedies available under the U.S. federal securities laws, would not be allowed in Swiss courts as they are contrary to that nation's public policy.

Swiss law differs in certain material respects from laws generally applicable to U.S. corporations and their shareholders. These differences include the manner in which directors must disclose transactions in which they have an interest, the rights of shareholders to bring class action and derivative lawsuits, and the scope of indemnification available to directors and officers. Thus, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the U.S.

ITEM 2. PROPERTIES

Our principal executive office is located in Schaffhausen, Switzerland. As of fiscal year end 2017, we owned approximately 20 million square feet and leased approximately 10 million square feet of manufacturing, warehousing, and office space. We believe our facilities are suitable for the conduct of our business and adequate for our current needs.

We manufacture our products in approximately 25 countries worldwide. Our manufacturing sites focus on various aspects of our manufacturing processes, including our primary processes of stamping, plating, molding, extrusion, beaming, and assembly. We consider the productive capacity of our manufacturing facilities sufficient. As of fiscal year end 2017, our principal centers of manufacturing output by segment and geographic region were as follows:

	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
		(number of manufacturing facilities)		
Americas	11	23	6	40
EMEA	18	22	3	43
Asia–Pacific	7	7	7	21
Total	36	52	16	104

ITEM 3. LEGAL PROCEEDINGS

In the normal course of business, we are subject to various legal proceedings and claims, including product liability matters, employment disputes, disputes on agreements, other commercial disputes, environmental matters, antitrust claims, and tax matters, including non-income tax matters such as value added tax, sales and use tax, real estate tax, and transfer tax. In addition, we operate in an industry susceptible to significant patent legal claims. At any given time in the normal course of business, we are involved as either a plaintiff or defendant in a number of patent infringement actions. If infringement of a third party's patent were to be determined against us, we might be required to make significant royalty or other payments or might be subject to an injunction or other limitation on our ability to manufacture or sell one or more products. If a patent owned by or licensed to us were determined to be invalid or unenforceable, we might be required to reduce the value of the patent on our Consolidated Balance Sheet and to record a corresponding charge, which could be significant in amount.

Management believes that these legal proceedings and claims likely will be resolved over an extended period of time. Although it is not feasible to predict the outcome of these proceedings, based upon our experience, current information, and applicable law, we do not expect that the outcome of these proceedings, either individually or in the aggregate, will have a material effect on our results of operations, financial position, or cash flows.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common shares are listed and traded on the NYSE under the symbol "TEL." The following table sets forth the high and low closing sales prices of our common shares as reported by the NYSE for the quarterly periods of fiscal 2017 and 2016:

	Market Price Range Fiscal			
	2017		2016	
	High	Low	High	Low
First Quarter	$ 71.60	$ 61.03	$ 67.61	$ 56.85
Second Quarter	76.53	67.31	65.75	52.27
Third Quarter	80.03	71.93	63.69	57.32
Fourth Quarter	83.22	77.61	64.54	54.83

The number of registered holders of our common shares at November 9, 2017 was 21,658.

Dividends

The following table sets forth the dividends paid on our common shares during the quarterly periods of fiscal 2017 and 2016:

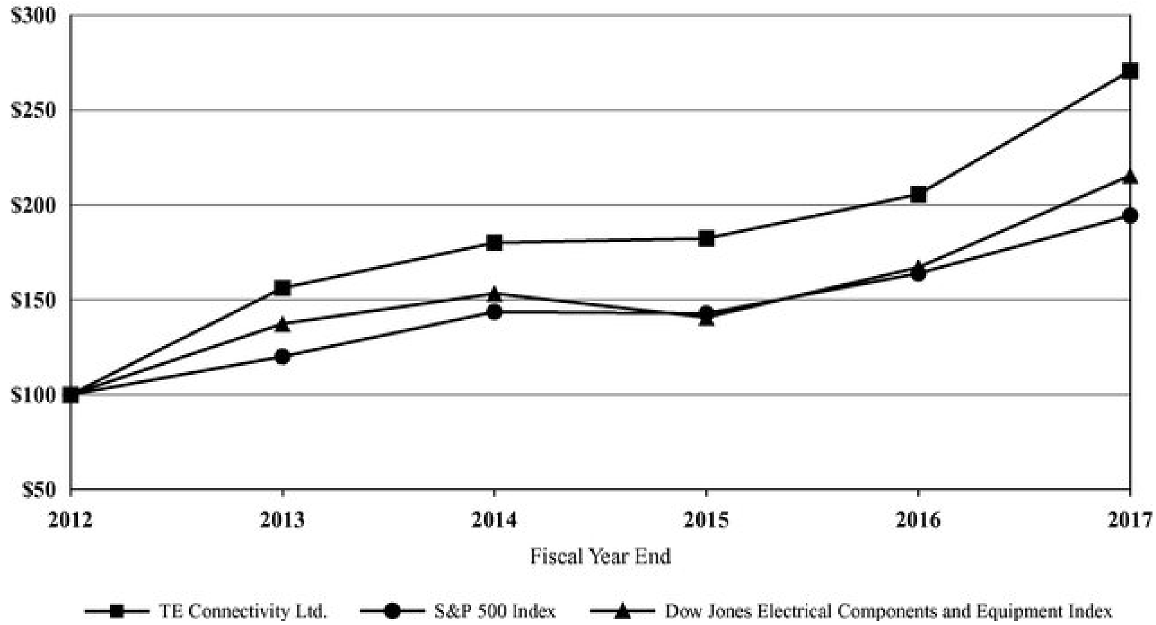
	Fiscal	
	2017	2016
First Quarter	$ 0.37	$ 0.33
Second Quarter	0.37	0.33
Third Quarter	0.40	0.37
Fourth Quarter	0.40	0.37

Future dividends on our common shares, if any, must be approved by our shareholders. In exercising their discretion to recommend to the shareholders that such dividends be approved, our board of directors will consider our results of operations, cash requirements and surplus, financial condition, statutory requirements of applicable law, contractual restrictions, and other factors that they may deem relevant. We may from time to time enter into financing agreements that contain financial covenants and restrictions, some of which may limit our ability to pay dividends.

Performance Graph

The following graph compares the cumulative total shareholder return on our common shares against the cumulative return on the S&P 500 Index and the Dow Jones Electrical Components and Equipment Index. The graph assumes the investment of $100 in our common shares and in each index at fiscal year end 2012 and assumes the reinvestment of all dividends and distributions. The graph shows the cumulative total return for the last five fiscal years. The comparisons in the graph are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common shares.

COMPARISON OF CUMULATIVE TOTAL RETURN
AMONG TE CONNECTIVITY LTD., S&P 500 INDEX, AND
DOW JONES ELECTRICAL COMPONENTS AND EQUIPMENT INDEX



	Fiscal Year End					
	2012 (1)	2013	2014	2015	2016	2017
TE Connectivity Ltd.	$ 100.00	$ 156.17	$ 180.06	$ 182.33	$ 205.56	$ 270.74
S&P 500 Index	100.00	120.06	143.64	142.79	163.93	194.44
Dow Jones Electrical Components and Equipment Index	100.00	137.38	153.26	140.75	167.09	215.47

(1) $100 invested on September 28, 2012 in TE Connectivity Ltd.'s common shares and in indexes. Indexes calculated on month-end basis.

Issuer Purchases of Equity Securities

The following table presents information about our purchases of our common shares during the quarter ended September 29, 2017:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2)
July 1–July 28, 2017	798,930	$ 80.67	796,800	$ 651,293,669
July 29–September 1, 2017	1,396,676	79.06	1,396,371	540,894,749
September 2–September 29, 2017	760,955	81.11	745,037	480,479,256
Total	2,956,561	$ 80.02	2,938,208	

(1) These columns include the following transactions which occurred during the quarter ended September 29, 2017:

(i) the acquisition of 18,353 common shares from individuals in order to satisfy tax withholding requirements in connection with the vesting of restricted share awards issued under equity compensation plans; and

(ii) open market purchases totaling 2,938,208 common shares, summarized on a trade-date basis, in conjunction with the share repurchase program announced in September 2007.

(2) Our share repurchase program authorizes us to purchase a portion of our outstanding common shares from time to time through open market or private transactions, depending on business and market conditions. The share repurchase program does not have an expiration date.

ITEM 6. SELECTED FINANCIAL DATA

The following table presents selected consolidated financial data. The data presented should be read in conjunction with our Consolidated Financial Statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report. Our consolidated financial information may not be indicative of our future performance.

	As of or for Fiscal				
	2017	2016 (1)	2015	2014	2013
	(in millions, except per share data)				
Statement of Operations Data					
Net sales	$ 13,113	$ 12,238	$ 12,233	$ 11,973	$ 11,390
Acquisition and integration costs	6	22	55	31	14
Restructuring and other charges, net (2)	148	2	152	19	222
Other income (expense), net (3)	(9)	(632)	(55)	63	(183)
Income tax (expense) benefit (3)	(255)	779	(337)	(146)	75
Amounts attributable to TE Connectivity Ltd.:					
Income from continuing operations	1,673	1,941	1,238	1,614	1,154
Income from discontinued operations, net of income taxes (4)	10	68	1,182	167	122
Net income	$ 1,683	$ 2,009	$ 2,420	$ 1,781	$ 1,276
Per Share Data					
Basic earnings per share attributable to TE Connectivity Ltd.:					
Income from continuing operations	$ 4.71	$ 5.30	$ 3.06	$ 3.94	$ 2.76
Net income	4.74	5.49	5.98	4.34	3.05
Diluted earnings per share attributable to TE Connectivity Ltd.:					
Income from continuing operations	$ 4.67	$ 5.26	$ 3.01	$ 3.87	$ 2.73
Net income	4.70	5.44	5.89	4.27	3.02
Dividends and cash distributions paid per common share	$ 1.54	$ 1.40	$ 1.24	$ 1.08	$ 0.92
Balance Sheet Data					
Total assets	$ 19,403	$ 17,608	$ 20,589	$ 20,132	$ 18,446
Long-term liabilities	5,805	6,057	7,429	7,128	6,000
Total shareholders' equity	$ 9,751	$ 8,485	$ 9,585	$ 9,007	$ 8,380

(1) Fiscal 2016 was a 53-week year.

(2) Fiscal 2016 included a pre-tax gain of $144 million on the sale of our Circuit Protection Devices business. See Note 3 to the Consolidated Financial Statements for additional information.

(3) For fiscal 2017, 2016, and 2015, see Notes 15 and 16 to the Consolidated Financial Statements for additional information. Fiscal 2014 income tax (expense) benefit included a $282 million income tax benefit recognized in connection with a reduction in the valuation allowance associated with certain tax loss carryforwards relating to ADC Telecommunications, Inc. Fiscal 2013 income tax (expense) benefit and net other income (expense) included a $331 million income tax benefit associated with the effective settlement of all undisputed tax matters for the years 1997 through 2000 and the related impact of $231 million to other expense pursuant to the Tax Sharing Agreement with Tyco International plc and Covidien plc, respectively.

(4) Fiscal 2015 included the gain on the sale of our Broadband Network Solutions business. See Note 4 to the Consolidated Financial Statements for additional information.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and the accompanying notes included elsewhere in this Annual Report. The following discussion may contain forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in this Annual Report, particularly in "Risk Factors" and "Forward-Looking Information."

Our Consolidated Financial Statements have been prepared in U.S. dollars, in accordance with accounting principles generally accepted in the U.S. ("GAAP").

The following discussion includes organic net sales growth which is a non-GAAP financial measure. See "Non-GAAP Financial Measure" for additional information regarding this measure.

Overview

We are a global technology and manufacturing leader creating a safer, sustainable, productive, and connected future. For more than 75 years, our connectivity and sensor solutions, proven in the harshest environments, have enabled advancements in transportation, industrial applications, medical technology, energy, data communications, and the home.

Fiscal 2017 highlights included the following:

- Our fiscal 2017 net sales increased 7.1% over fiscal 2016 levels due to growth in the Transportation Solutions and Industrial Solutions segments and, to a lesser degree, the Communications Solutions segment. On an organic basis, our net sales increased 6.0% in fiscal 2017 as compared to fiscal 2016.
- Our net sales by segment were as follows:
  - *Transportation Solutions* —Our net sales increased 8.2% as a result of increased sales in the automotive and commercial transportation end markets and, to a lesser degree, the sensors end market.
  - *Industrial Solutions* —Our net sales increased 9.1% due to increased sales in the industrial equipment end market where we benefitted from sales contributions from recent acquisitions, partially offset by decreased sales in the aerospace, defense, oil, and gas and the energy end markets.
  - *Communications Solutions* —Our net sales increased 1.9% due primarily to sales increases in the appliances and subsea communications end markets, partially offset by sales declines in the data and devices end market resulting from the divestiture of our Circuit Protection Devices ("CPD") business in fiscal 2016.
- During fiscal 2017, our shareholders approved a dividend payment to shareholders of $1.60 per share, payable in four equal quarterly installments of $0.40 beginning in the third quarter of fiscal 2017 and ending in the second quarter of fiscal 2018.
- Net cash provided by continuing operating activities was $2,322 million in fiscal 2017.

Outlook

In the first quarter of fiscal 2018, we expect our net sales to be between $3.35 billion and $3.45 billion as compared to $3,063 million in the first quarter of fiscal 2017. We expect our net sales to be between $13.7 billion and $14.1 billion in fiscal 2018 as compared to $13,113 million in fiscal 2017. These increases reflect sales growth in the Transportation Solutions and Industrial Solutions segments, and to a lesser degree, the Communications Solutions segment relative to the same periods of fiscal 2017.

Additional information regarding expectations for our reportable segments for the first quarter of fiscal 2018 as compared to the same period of fiscal 2017 and for fiscal 2018 compared to fiscal 2017 is as follows:

- *Transportation Solutions* —We expect our net sales to increase in the automotive end market due primarily to increased content per vehicle and sales contributions from a recent acquisition. We expect global automotive production to be flat in the first quarter of fiscal 2018 and to increase approximately 1% in fiscal 2018. We also expect continued growth in the commercial transportation and sensors end markets.

- *Industrial Solutions* —We expect our net sales to increase in the industrial equipment end market due primarily to continued growth in the factory automation and controls market and the medical market.

- *Communications Solutions* —We expect our net sales growth in the appliances and the data and devices end markets to be partially offset by sales declines in the subsea communications end market.

In the first quarter of fiscal 2018, we expect diluted earnings per share from continuing operations to be in the range of $1.12 to $1.16 per share. We expect diluted earnings per share from continuing operations to be in the range of $4.78 to $4.98 per share in fiscal 2018.

The above outlook is based on foreign currency exchange rates and commodity prices that are consistent with current levels.

We are monitoring the current macroeconomic environment and its potential effects on our customers and the end markets we serve. We continue to closely manage our costs in line with economic conditions. Additionally, we are managing our capital resources and monitoring capital availability to ensure that we have sufficient resources to fund future capital needs. See further discussion in "Liquidity and Capital Resources."

Acquisitions

During fiscal 2017, we acquired two businesses for a combined cash purchase price of $250 million, net of cash acquired.

We acquired four businesses, including the Creganna Medical group ("Creganna"), for a combined cash purchase price of $1.3 billion, net of cash acquired, during fiscal 2016.

During fiscal 2015, we acquired Measurement Specialties, Inc. ("Measurement Specialties"), a leading global designer and manufacturer of sensors and sensor-based systems. The total value paid was approximately $1.7 billion, net of cash acquired, and included $225 million for the repayment of Measurement Specialties' debt and accrued interest. Also during fiscal 2015, we acquired three additional businesses for $241 million in cash, net of cash acquired.

See Note 5 to the Consolidated Financial Statements for additional information regarding acquisitions.

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Divestiture

During fiscal 2016, we sold our CPD business for net cash proceeds of $333 million. We recognized a pre-tax gain of $144 million on the transaction. The CPD business was reported as part of the Data and Devices business within our Communications Solutions segment.

Results of Operations

Net Sales

The following table presents our net sales and the percentage of total net sales by segment:

	Fiscal 2017		Fiscal 2016		Fiscal 2015	
	($ in millions)					
Transportation Solutions	$ 7,039	53%	$ 6,503	53%	$ 6,351	52%
Industrial Solutions	3,507	27	3,215	26	3,179	26
Communications Solutions	2,567	20	2,520	21	2,703	22
Total	$ 13,113	100%	$ 12,238	100%	$ 12,233	100%

The following table provides an analysis of the change in our net sales compared to the prior fiscal year by segment:

	Fiscal 2017: Change in Net Sales versus Prior Fiscal Year						Fiscal 2016: Change in Net Sales versus Prior Fiscal Year					
	Net Sales Growth		Organic Net Sales Growth		Translation	Acquisitions (Divestiture)	Net Sales Growth		Organic Net Sales Growth		Translation	Acquisitions (Divestiture)
	($ in millions)											
Transportation Solutions	$ 536	8.2%	$ 553	8.5%	$ (47)	$ 30	$ 152	2.4%	$ 310	4.9%	$ (174)	$ 16
Industrial Solutions	292	9.1	50	1.6	(20)	262	36	1.1	(89)	(2.8)	(63)	188
Communications Solutions	47	1.9	133	5.4	(16)	(70)	(183)	(6.8)	(43)	(1.6)	(17)	(123)
Total	$ 875	7.1%	$ 736	6.0%	$ (83)	$ 222	$ 5	—%	$ 178	1.5%	$ (254)	$ 81

Net sales increased $875 million, or 7.1%, in fiscal 2017 as compared to fiscal 2016. The increase in net sales resulted from organic net sales growth of 6.0% and net sales contributions from acquisitions and a divestiture of 1.8%, partially offset by the negative impact of foreign currency translation of 0.7% due to the weakening of certain foreign currencies. Organic net sales were adversely affected by price erosion of $218 million in fiscal 2017. Fiscal 2016 included an additional week which contributed $238 million in net sales. The impact of the additional week was estimated using an average weekly sales figure for the last month of the fiscal year.

Net sales were flat in fiscal 2016 as compared to fiscal 2015. Organic net sales growth of 1.5% and net sales contributions from acquisitions and a divestiture of 0.6% were offset by the negative impact of foreign currency translation of 2.1% due to the weakening of certain foreign currencies. Organic net sales were adversely affected by price erosion of $188 million in fiscal 2016. As discussed above, the additional week contributed $238 million in net sales in fiscal 2016.

See further discussion of net sales below under "Segment Results."

Net Sales by Geographic Region. Our business operates in three geographic regions—the Americas, EMEA, and Asia–Pacific—and our results of operations are influenced by changes in foreign currency exchange rates. Increases or decreases in the value of the U.S. dollar, compared to other currencies, will directly affect our reported results as we translate those currencies into U.S. dollars at the end of each fiscal period. We sell our products into approximately 150 countries, and approximately 55% of our net sales were invoiced in currencies other than the U.S. dollar in fiscal 2017. The percentage of net sales in fiscal 2017 by major currencies invoiced was as follows:

Currencies	Percentage
U.S. dollar	45%
Euro	28
Chinese renminbi	12
Japanese yen	6
All others	9
Total	100%

The following table presents our net sales and the percentage of total net sales by geographic region:

	Fiscal 2017		2016		2015	
	($ in millions)					
Americas	$ 4,401	34%	$ 4,199	34%	$ 4,138	34%
EMEA	4,401	34	4,116	34	3,992	33
Asia–Pacific	4,311	32	3,923	32	4,103	33
Total	$ 13,113	100%	$ 12,238	100%	$ 12,233	100%

The following table provides an analysis of the change in our net sales compared to the prior fiscal year by geographic region:

	Fiscal 2017: Change in Net Sales versus Prior Fiscal Year						Fiscal 2016: Change in Net Sales versus Prior Fiscal Year					
	Net Sales Growth		Organic Net Sales Growth		Translation	Acquisitions (Divestiture)	Net Sales Growth		Organic Net Sales Growth		Translation	Acquisitions (Divestiture)
	($ in millions)											
Americas	$ 202	4.8%	$ 100	2.4%	$ 6	$ 96	$ 61	1.5%	$ 15	0.4%	$ (58)	$ 104
EMEA	285	6.9	139	3.4	(23)	169	124	3.1	194	4.9	(141)	71
Asia–Pacific	388	9.9	497	12.7	(66)	(43)	(180)	(4.4)	(31)	(0.7)	(55)	(94)
Total	$ 875	7.1%	$ 736	6.0%	$ (83)	$ 222	$ 5	—%	$ 178	1.5%	$ (254)	$ 81

Cost of Sales and Gross Margin

The following table presents cost of sales and gross margin information:

	Fiscal			Fiscal 2017 versus 2016	Fiscal 2016 versus 2015
	2017	2016	2015		
			($ in millions)		
Cost of sales	$ 8,663	$ 8,205	$ 8,146	$ 458	$ 59
As a percentage of net sales	66.1%	67.0%	66.6%	(0.9)%	0.4%
Gross margin	$ 4,450	$ 4,033(1)	$ 4,087	$ 417	$ (54)
As a percentage of net sales	33.9%	33.0%	33.4%	0.9%	(0.4)%

(1) Fiscal 2016 included an additional week which contributed $89 million in gross margin.

Gross margin increased $417 million in fiscal 2017 as compared to fiscal 2016 due primarily to higher volume and lower material costs, partially offset by price erosion. In fiscal 2016, gross margin decreased $54 million as compared to fiscal 2015. In fiscal 2016, gross margin included charges of $10 million from the amortization of acquisition-related fair value adjustments to acquired inventories and customer order backlog associated primarily with Creganna. In fiscal 2015, gross margin included charges of $36 million from the amortization of acquisition-related fair value adjustments to acquired inventories and customer order backlog associated primarily with Measurement Specialties. Excluding these charges, gross margin decreased in fiscal 2016 due primarily to unfavorable product mix and price erosion, partially offset by lower material costs.

Cost of sales and gross margin are subject to variability in raw material prices which continue to fluctuate for many of the raw materials used in the manufacture of our products. In fiscal 2017, we purchased approximately 188 million pounds of copper, 122,000 troy ounces of gold, and 2.6 million troy ounces of silver. The following table presents the average prices incurred related to copper, gold, and silver.

		Fiscal		
	Measure	2017	2016	2015
Copper	Lb.	$ 2.44	$ 2.49	$ 3.06
Gold	Troy oz.	1,229	1,212	1,267
Silver	Troy oz.	16.75	16.08	18.51

In fiscal 2018, we expect to purchase approximately 200 million pounds of copper, 130,000 troy ounces of gold, and 2.6 million troy ounces of silver.

Operating Expenses

The following table presents operating expense information:

	Fiscal			Fiscal 2017 versus 2016	Fiscal 2016 versus 2015
	2017	2016	2015		
			($ in millions)		
Selling, general, and administrative expenses	$ 1,591	$ 1,463	$ 1,504	$ 128	$ (41)
As a percentage of net sales	12.1%	12.0%	12.3%	0.1%	(0.3)%
Research, development, and engineering expenses	$ 658	$ 644	$ 627	$ 14	$ 17
Acquisition and integration costs	6	22	55	(16)	(33)
Restructuring and other charges, net	148	2	152	146	(150)

Selling, General, and Administrative Expenses. Selling, general, and administrative expenses increased $128 million in fiscal 2017 as compared to fiscal 2016 primarily as a result of increased incentive compensation costs, increased selling expenses to support higher sales levels, and increased costs associated with long-term expense reduction initiatives. In fiscal 2016, selling, general, and administrative expenses decreased $41 million as compared to fiscal 2015 due primarily to cost control measures and savings attributable to restructuring actions.

Acquisition and Integration Costs. We incurred acquisition and integration costs of $6 million, $22 million, and $55 million during fiscal 2017, 2016, and 2015, respectively. In fiscal 2016, acquisition and integration costs related primarily to the acquisitions of Creganna and Measurement Specialties. In fiscal 2015, acquisition and integration costs related primarily to the acquisitions of Measurement Specialties and the SEACON Group.

Restructuring and Other Charges, Net. We are committed to continuous productivity improvements, and we evaluate opportunities to simplify our global manufacturing footprint, migrate facilities to lower-cost regions, reduce fixed costs, and eliminate excess capacity. These initiatives are designed to help us maintain our competitiveness in the industry, improve our operating leverage, and position us for future growth.

During fiscal 2017, we initiated a restructuring program associated with footprint consolidation related to recent acquisitions and structural improvements impacting all segments. During fiscal 2016, we initiated a restructuring program associated with headcount reductions impacting all segments and product line closures in the Communications Solutions segment. During fiscal 2015, we initiated a restructuring program associated with headcount reductions and product line closures, primarily impacting the Communications Solutions and Industrial Solutions segments.

In connection with these initiatives, we recorded net restructuring charges of $147 million, $125 million, and $93 million in fiscal 2017, 2016, and 2015, respectively. Annualized cost savings related to actions initiated in fiscal 2017 are expected to be approximately $125 million and are expected to be realized by the end of fiscal 2019. Cost savings will be reflected primarily in cost of sales and selling, general, and administrative expenses. During fiscal 2018, we expect net restructuring charges to be similar to fiscal 2017 levels, and we expect total spending, which will be funded with cash from operations, to be approximately $130 million.

During fiscal 2016, we recognized a pre-tax gain of $144 million on the sale of our CPD business.

During fiscal 2017, 2016, and 2015, we incurred net other charges of $1 million, $21 million, and $59 million, respectively, primarily in connection with the divestiture of certain businesses.

See Note 3 to the Consolidated Financial Statements for additional information regarding net restructuring and other charges.

Operating Income

The following table presents operating income and operating margin information:

	Fiscal			Fiscal 2017 versus 2016	Fiscal 2016 versus 2015
	2017	2016	2015		
	($ in millions)				
Operating income	$ 2,047	$ 1,902(1)	$ 1,749	$ 145	$ 153
Operating margin	15.6%	15.5%	14.3%	0.1%	1.2%

(1) Fiscal 2016 included an additional week which contributed $55 million in operating income.

Operating income included the following:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
Acquisition related charges:			
Acquisition and integration costs	$ 6	$ 22	$ 55
Charges associated with the amortization of acquisition-related fair value adjustments	5	10	36
Restructuring charges related to acquisitions	—	—	3
	11	32	94
Restructuring and other charges, net	148	2	149
Total	$ 159	$ 34	$ 243

See discussion of operating income below under "Segment Results."

Non-Operating Items

The following table presents select non-operating information:

	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2017 versus 2016	Fiscal 2016 versus 2015
	($ in millions)				
Other expense, net	$ 9	$ 632	$ 55	$ (623)	$ 577
Income tax expense (benefit)	255	(779)	337	1,034	(1,116)
Effective tax rate	13.2%	(67.0)%	21.4%	80.2%	(88.4)%
Income from discontinued operations, net of income taxes	$ 10	$ 68	$ 1,182	$ (58)	$ (1,114)

Other Expense, Net. In fiscal 2017, 2016, and 2015, we recorded net other expense primarily pursuant to the Tax Sharing Agreement with Tyco International plc ("Tyco International") and Covidien plc ("Covidien"). See Note 16 to the Consolidated Financial Statements for further information regarding net other expense.

Income Taxes. See Note 15 to the Consolidated Financial Statements for information regarding items impacting income tax expense (benefit) and the effective tax rate for fiscal 2017, 2016, and 2015.

The valuation allowance for deferred tax assets was $3,627 million and $3,096 million at fiscal year end 2017 and 2016, respectively. See Note 15 to the Consolidated Financial Statements for further information regarding the valuation allowance for deferred tax assets.

As of fiscal year end 2017, certain subsidiaries had approximately $22 billion of cumulative undistributed earnings that have been retained indefinitely and reinvested in our global manufacturing operations, including working capital; property, plant, and equipment; intangible assets; and research and development activities. See Note 15 to the Consolidated Financial Statements for additional information regarding undistributed earnings.

Income from Discontinued Operations, Net of Income Taxes. During fiscal 2015, we sold our Broadband Network Solutions ("BNS") business for $3.0 billion in cash and recognized a pre-tax gain of $1.1 billion on the transaction. During fiscal 2016, we recognized an additional pre-tax gain of $29 million on the divestiture, related primarily to pension and net working capital adjustments.

In fiscal 2006, the former shareholders of Com-Net initiated a lawsuit related to our fiscal 2001 acquisition of Com-Net. In connection with the Com-Net case, we recorded a reserve and pre-tax charges of $127 million during fiscal 2015. During fiscal 2016, we recorded pre-tax credits of $30 million, representing a release of excess reserves. These amounts were reflected in income from discontinued operations on the Consolidated Statements of Operations as the Com-Net case was associated with our former Wireless Systems business which was sold in fiscal 2009.

The BNS and Wireless Systems businesses met the discontinued operations criteria and were reported as such in all periods presented on the Consolidated Financial Statements. Prior to reclassification to discontinued operations, the BNS and Wireless Systems businesses were included in the former Network Solutions and Wireless Systems segments, respectively. See Note 4 to the Consolidated Financial Statements for additional information regarding discontinued operations.

Segment Results

Transportation Solutions

Net Sales. The following table presents the Transportation Solutions segment's net sales and the percentage of total net sales by primary industry end market (1) :

	Fiscal					
	2017		2016		2015	
	($ in millions)					
Automotive	$ 5,228	74%	$ 4,912	75%	$ 4,780	75%
Commercial transportation	997	14	825	13	820	13
Sensors	814	12	766	12	751	12
Total	$ 7,039	100%	$ 6,503	100%	$ 6,351	100%

(1) Industry end market information is presented consistently with our internal management reporting and may be revised periodically as management deems necessary.

The following table provides an analysis of the change in the Transportation Solutions segment's net sales compared to the prior fiscal year by primary industry end market:

	Fiscal											
	2017						2016					
	Change in Net Sales versus Prior Fiscal Year						Change in Net Sales versus Prior Fiscal Year					
	Net Sales Growth		Organic Net Sales Growth		Translation	Acquisition	Net Sales Growth		Organic Net Sales Growth		Translation	Acquisition
	($ in millions)											
Automotive	$ 316	6.4%	$ 349	7.1%	$ (33)	$ —	$ 132	2.8%	$ 266	5.6%	$ (134)	$ —
Commercial transportation	172	20.8	181	21.9	(9)	—	5	0.6	21	2.6	(16)	—
Sensors	48	6.3	23	3.0	(5)	30	15	2.0	23	3.1	(24)	16
Total	$ 536	8.2%	$ 553	8.5%	$ (47)	$ 30	$ 152	2.4%	$ 310	4.9%	$ (174)	$ 16

Net sales in the Transportation Solutions segment increased $536 million, or 8.2%, in fiscal 2017 from fiscal 2016 primarily as a result of organic net sales growth of 8.5%. Fiscal 2016 included an additional week which contributed $130 million in net sales. Our organic net sales by primary industry end market were as follows:

- *Automotive* —Our organic net sales increased 7.1% in fiscal 2017. The increase resulted from growth of 11.1% in the Asia–Pacific region, 5.6% in the EMEA region, and 1.4% in the Americas region. Our growth in the Asia–Pacific region was driven by increased demand in China resulting from a tax incentive program, market share gains, and increased electronification. In the EMEA region, our organic net sales growth was driven by market growth, electronification, and new model launches. Our growth in the Americas region resulted from continued market recovery in South America.

- *Commercial transportation* —Our organic net sales increased 21.9% in fiscal 2017 primarily as a result of growth in the heavy truck market in all regions and content gains in China.

- *Sensors* —Our organic net sales increased 3.0% in fiscal 2017 due primarily to growth in the industrial equipment and commercial transportation markets, partially offset by declines in the data and devices market.

In fiscal 2016, net sales in the Transportation Solutions segment increased $152 million, or 2.4%, from fiscal 2015 due primarily to organic net sales growth of 4.9%, partially offset by the negative impact of foreign currency translation of 2.7%. As discussed above, the additional week contributed $130 million in net sales in fiscal 2016. Our organic net sales by primary industry end market were as follows:

- *Automotive* —Our organic net sales increased 5.6% in fiscal 2016. The increase was due primarily to growth of 8.4% in the Asia–Pacific region and 5.9% in the EMEA region, partially offset by a decrease of 0.9% in the Americas region. In the Asia–Pacific region, our growth was driven by increased electronification and market share gains in China. In the EMEA region, our organic net sales increased due to electronification and new model launches. The Americas region was adversely impacted by market weakness in North America and macroeconomic conditions in South America.

- *Commercial transportation* —Our organic net sales increased 2.6% in fiscal 2016 due primarily to growth in the heavy truck market in the EMEA region and China.

- *Sensors* —Our organic net sales increased 3.1% in fiscal 2016 primarily as a result of increased sales in the automotive, aerospace and defense, and industrial equipment markets.

Operating Income. The following table presents the Transportation Solutions segment's operating income and operating margin information:

	Fiscal			Fiscal 2017 versus 2016	Fiscal 2016 versus 2015
	2017	2016	2015		
			($ in millions)		
Operating income	$ 1,299	$ 1,191	$ 1,193	$ 108	$ (2)
Operating margin	18.5%	18.3%	18.8%	0.2%	(0.5)%

In fiscal 2017, operating income in the Transportation Solutions segment increased $108 million from fiscal 2016. Operating income in the Transportation Solutions segment was flat in fiscal 2016 as compared to fiscal 2015. The Transportation Solutions segment's operating income included the following:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
Acquisition related charges:			
Acquisition and integration costs	$ 3	$ 9	$ 28
Charges associated with the amortization of acquisition-related fair value adjustments	—	—	30
Restructuring charges related to acquisitions	—	—	3
	3	9	61
Restructuring and other charges, net	67	46	39
Total	$ 70	$ 55	$ 100

Excluding these items, operating income increased in fiscal 2017 primarily as a result of higher volume, partially offset by price erosion. In fiscal 2016, excluding these items, operating income decreased primarily as a result of price erosion and the negative impact of changes in foreign currency exchange rates, partially offset by lower material costs.

Industrial Solutions

Net Sales. The following table presents the Industrial Solutions segment's net sales and the percentage of total net sales by primary industry end market [(1)]:

	Fiscal 2017		Fiscal 2016		Fiscal 2015	
	($ in millions)					
Industrial equipment	$ 1,747	50%	$ 1,419	44%	$ 1,323	42%
Aerospace, defense, oil, and gas	1,075	31	1,100	34	1,151	36
Energy	685	19	696	22	705	22
Total	$ 3,507	100%	$ 3,215	100%	$ 3,179	100%

(1) Industry end market information is presented consistently with our internal management reporting and may be revised periodically as management deems necessary.

The following table provides an analysis of the change in the Industrial Solutions segment's net sales compared to the prior fiscal year by primary industry end market:

	Fiscal 2017 — Change in Net Sales versus Prior Fiscal Year						Fiscal 2016 — Change in Net Sales versus Prior Fiscal Year					
	Net Sales Growth		Organic Net Sales Growth		Translation	Acquisitions	Net Sales Growth		Organic Net Sales Growth		Translation	Acquisitions
	($ in millions)											
Industrial equipment	$ 328	23.1%	$ 77	5.5%	$ (10)	$ 261	$ 96	7.3%	$ (69)	(5.2)%	$ (14)	$ 179
Aerospace, defense, oil, and gas	(25)	(2.3)	(19)	(1.7)	(7)	1	(51)	(4.4)	(45)	(3.8)	(15)	9
Energy	(11)	(1.6)	(8)	(1.0)	(3)	—	(9)	(1.3)	25	3.6	(34)	—
Total	$ 292	9.1%	$ 50	1.6%	$ (20)	$ 262	$ 36	1.1%	$ (89)	(2.8)%	$ (63)	$ 188

In the Industrial Solutions segment, net sales increased $292 million, or 9.1%, in fiscal 2017 from fiscal 2016 due to sales contributions from acquisitions of 8.1% and organic net sales growth of 1.6%, partially offset by the negative impact of foreign currency translation of 0.6%. Fiscal 2016 included an additional week which contributed $65 million in net sales. Our organic net sales by primary industry end market were as follows:

- *Industrial equipment* —Our organic net sales increased 5.5% in fiscal 2017 due primarily to growth in the factory automation and controls market and the medical market.
- *Aerospace, defense, oil, and gas* —Our organic net sales decreased 1.7% in fiscal 2017 due to continued weakness in the oil and gas market and declines in our sales into the commercial aerospace market, partially offset by growth in the defense market.
- *Energy* —Our organic net sales decreased 1.0% in fiscal 2017 due to declines in the EMEA and Americas regions, partially offset by growth in the Asia–Pacific region.

Net sales in the Industrial Solutions segment increased $36 million, or 1.1%, in fiscal 2016 as compared to fiscal 2015 due to sales contributions from acquisitions of 5.9%, partially offset by organic net sales declines of 2.8% and the negative impact of foreign currency translation of 2.0%. As discussed above, the additional week contributed $65 million in net sales in fiscal 2016. Our organic net sales by primary industry end market were as follows:

- *Industrial equipment* —Our organic net sales decreased 5.2% in fiscal 2016 as a result of weakness in industrial markets, particularly in the Americas and Asia–Pacific regions.
- *Aerospace, defense, oil, and gas* —Our organic net sales decreased 3.8% in fiscal 2016. The decrease was attributable to declines in the oil and gas market, partially offset by growth in the commercial aerospace market and, to a lesser degree, the defense market. In the oil and gas market, our organic net sales decrease was due to continued market weakness resulting from declines in oil prices. In the commercial aerospace market, our organic net sales increased due primarily to customer growth and market share gains.
- *Energy* —Our organic net sales increased 3.6% in fiscal 2016 primarily as a result of growth in the Americas and EMEA regions.

Operating Income. The following table presents the Industrial Solutions segment's operating income and operating margin information:

	Fiscal			Fiscal 2017 versus 2016	Fiscal 2016 versus 2015
	2017	2016	2015		
	($ in millions)				
Operating income	$ 364	$ 343	$ 352	$ 21	$ (9)
Operating margin	10.4%	10.7%	11.1%	(0.3)%	(0.4)%

Operating income in the Industrial Solutions segment increased $21 million in fiscal 2017 as compared to fiscal 2016 and decreased $9 million in fiscal 2016 as compared to fiscal 2015. The Industrial Solutions segment's operating income included the following:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
Acquisition related charges:			
Acquisition and integration costs	$ 3	$ 13	$ 27
Charges associated with the amortization of acquisition-related fair value adjustments	5	10	6
	8	23	33
Restructuring and other charges, net	73	31	44
Total	$ 81	$ 54	$ 77

Excluding these items, operating income increased in fiscal 2017 primarily as a result of higher volume, partially offset by price erosion. In fiscal 2016, excluding these items, operating income decreased due primarily to unfavorable product mix and price erosion, partially offset by lower material costs.

Communications Solutions

Net Sales. The following table presents the Communications Solutions segment's net sales and the percentage of total net sales by primary industry end market [(1)]:

	Fiscal 2017		Fiscal 2016		Fiscal 2015	
	($ in millions)					
Data and devices	$ 963	38%	$ 1,020	40%	$ 1,357	50%
Subsea communications	928	36	885	35	709	26
Appliances	676	26	615	25	637	24
Total	$ 2,567	100%	$ 2,520	100%	$ 2,703	100%

(1) Industry end market information is presented consistently with our internal management reporting and may be revised periodically as management deems necessary.

The following table provides an analysis of the change in the Communications Solutions segment's net sales compared to the prior fiscal year by primary industry end market:

	Fiscal 2017: Change in Net Sales versus Prior Fiscal Year						Fiscal 2016: Change in Net Sales versus Prior Fiscal Year					
	Net Sales Growth		Organic Net Sales Growth		Translation	Divestiture	Net Sales Growth		Organic Net Sales Growth		Translation	Divestiture
	($ in millions)											
Data and devices	$ (57)	(5.6)%	$ 23	2.3%	$ (10)	$ (70)	$ (337)	(24.8)%	$ (208)	(17.8)%	$ (6)	$ (123)
Subsea communications	43	4.9	43	4.9	—	—	176	24.8	176	24.8	—	—
Appliances	61	9.9	67	10.8	(6)	—	(22)	(3.5)	(11)	(1.8)	(11)	—
Total	$ 47	1.9%	$ 133	5.4%	$ (16)	$ (70)	$ (183)	(6.8)%	$ (43)	(1.6)%	$ (17)	$ (123)

Net sales in the Communications Solutions segment increased $47 million, or 1.9%, in fiscal 2017 as compared to fiscal 2016 as a result of organic net sales growth of 5.4%, partially offset by sales declines resulting from a divestiture of 2.8% and the negative impact of foreign currency translation of

0.7%. Fiscal 2016 included an additional week which contributed $43 million in net sales. Our organic net sales by primary industry end market were as follows:

- *Data and devices* —Our organic net sales increased 2.3% in fiscal 2017 primarily as a result of increased sales to cloud infrastructure customers, partially offset by sales declines resulting from weakness in the wireless market.
- *Subsea communications* —Our organic net sales increased 4.9% in fiscal 2017 as a result of increased project activity.
- *Appliances* —Our organic net sales increased 10.8% in fiscal 2017 due primarily to growth in the Asia–Pacific region as a result of increased market demand and share gains.

In fiscal 2016, net sales in the Communications Solutions segment decreased $183 million, or 6.8%, as compared to fiscal 2015 due to sales declines resulting from a divestiture of 4.6%, organic net sales declines of 1.6%, and the negative impact of foreign currency translation of 0.6%. As discussed above, the additional week contributed $43 million in net sales in fiscal 2016. Our organic net sales by primary industry end market were as follows:

- *Data and devices* —Our organic net sales decreased 17.8% in fiscal 2016 as a result of the strategic exit of certain low margin product lines and market weakness in all regions.
- *Subsea communications* —Our organic net sales increased 24.8% in fiscal 2016 due to increased project activity.
- *Appliances* —Our organic net sales decreased 1.8% in fiscal 2016 due primarily to high inventory levels at distributors in the first half of the year and lower demand in the Asia–Pacific and Americas regions, partially offset by growth in the EMEA region.

Operating Income. The following table presents the Communications Solutions segment's operating income and operating margin information:

	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2017 versus 2016	Fiscal 2016 versus 2015
	($ in millions)				
Operating income	$ 384	$ 368	$ 204	$ 16	$ 164
Operating margin	15.0%	14.6%	7.5%	0.4%	7.1%

In the Communications Solutions segment, operating income increased $16 million in fiscal 2017 as compared to fiscal 2016 and increased $164 million in fiscal 2016 as compared to fiscal 2015. The Communications Solutions segment's operating income included the following:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
Restructuring and other charges (credits), net	$ 8	$ (75) (1)	$ 66

(1) Includes pre-tax gain of $144 million on the sale of our CPD business during fiscal 2016.

Excluding these items, operating income increased in fiscal 2017 due primarily to higher volume and improved manufacturing productivity, partially offset by price erosion. In fiscal 2016, excluding these items, operating income increased as a result of lower material costs and savings attributable to restructuring actions, partially offset by the impact of unfavorable product mix, lower volume, and price erosion.

Liquidity and Capital Resources

Our ability to fund our future capital needs will be affected by our ability to continue to generate cash from operations and may be affected by our ability to access the capital markets, money markets, or other sources of funding, as well as the capacity and terms of our financing arrangements. We believe that cash generated from operations and, to the extent necessary, these other sources of potential funding will be sufficient to meet our anticipated capital needs for the foreseeable future. We may use excess cash to purchase a portion of our common shares pursuant to our authorized share repurchase program, to acquire strategic businesses or product lines, to pay dividends on our common shares, or to reduce our outstanding debt, including through the possible repurchase of our debt in accordance with applicable law. Payment of our $708 million of 6.55% senior notes due in October 2017 was made after fiscal year end 2017. The cost or availability of future funding may be impacted by financial market conditions. We will continue to monitor financial markets and respond as necessary to changing conditions.

As of fiscal year end 2017, our cash and cash equivalents were held in subsidiaries which are located in various countries throughout the world. Under current applicable laws, substantially all of these amounts can be repatriated to Tyco Electronics Group S.A. ("TEGSA"), our Luxembourg subsidiary, which is the obligor of substantially all of our debt, and to TE Connectivity Ltd., our Swiss parent company; however, the repatriation of these amounts could subject us to additional tax expense. We provide for tax liabilities on the Consolidated Financial Statements with respect to amounts that we expect to repatriate; however, no tax liabilities are recorded for amounts that we consider to be retained indefinitely and reinvested in our global manufacturing operations. As of fiscal year end 2017, we had approximately $6.3 billion of cash, cash equivalents, and intercompany deposits, principally in our subsidiaries, that we have the ability to distribute to TEGSA and TE Connectivity Ltd. but we consider to be permanently reinvested. We estimate that approximately $1.2 billion of tax expense would be recognized on the Consolidated Financial Statements if our intention to permanently reinvest these amounts were to change. Our current plans do not demonstrate a need to repatriate cash, cash equivalents, and intercompany deposits that are designated as permanently reinvested in order to fund our operations, including investing and financing activities.

Cash Flows from Operating Activities

Net cash provided by continuing operating activities increased $278 million to $2,322 million in fiscal 2017 as compared to $2,044 million in fiscal 2016. The increase resulted primarily from higher pre-tax income levels, an increase in accrued and other current liabilities related to employee compensation, and a decrease in net payments related to pre-separation tax matters, partially offset by the impact of increased sales on accounts receivable levels.

Net cash provided by continuing operating activities was $2,044 million in fiscal 2016 as compared to $1,636 million in fiscal 2015. The increase resulted primarily from the favorable effects of changes in accounts receivable and inventory levels, partially offset by an increase in net payments related to pre-separation tax matters.

The amount of income taxes paid, net of refunds, during fiscal 2017, 2016, and 2015 was $323 million, $806 million, and $350 million, respectively. In fiscal 2017, 2016, and 2015, these amounts included refunds of $23 million, payments of $471 million, and payments of $47 million, respectively, related to pre-separation tax matters. During fiscal 2016 and 2015, we received net reimbursements of $321 million and $7 million, respectively, from Tyco International and Covidien pursuant to their indemnifications for pre-separation tax matters.

See Note 12 to the Consolidated Financial Statements for further information regarding the Tax Sharing Agreement associated with pre-separation tax matters. For additional information regarding payments related to pre-separation tax matters, see Note 15 to the Consolidated Financial Statements.

Pension contributions in fiscal 2017, 2016, and 2015 were $48 million, $67 million, and $66 million, respectively. We expect pension contributions to be $62 million in fiscal 2018, before consideration of any voluntary contributions. There were no voluntary pension contributions in fiscal 2017, 2016, or 2015.

Cash Flows from Investing Activities

Capital expenditures were $702 million, $628 million, and $600 million in fiscal 2017, 2016, and 2015, respectively. We expect fiscal 2018 capital spending levels to be approximately 5% of net sales. We believe our capital funding levels are adequate to support new programs, and we continue to invest in our manufacturing infrastructure to further enhance productivity and manufacturing capabilities.

We acquired two businesses during fiscal 2017 for a combined cash purchase price of $250 million, net of cash acquired. During fiscal 2016, we acquired four businesses, including Creganna, for a combined cash purchase price of $1.3 billion, net of cash acquired. During fiscal 2015, we acquired Measurement Specialties. The total value paid for the transaction was approximately $1.7 billion, net of cash acquired, and included $225 million for the repayment of Measurement Specialties' debt and accrued interest. Also during fiscal 2015, we acquired three additional businesses for $241 million in cash, net of cash acquired. See Note 5 to the Consolidated Financial Statements for additional information regarding acquisitions.

During fiscal 2016, we received net cash proceeds of $333 million related to the sale of our CPD business. See Note 3 to the Consolidated Financial Statements for further information. We received net cash proceeds of $3.0 billion related to the sale of our BNS business during fiscal 2015. See Note 4 to the Consolidated Financial Statements for further information.

Cash Flows from Financing Activities and Capitalization

Total debt at fiscal year end 2017 and 2016 was $4,344 million and $4,070 million, respectively. See Note 11 to the Consolidated Financial Statements for additional information regarding debt.

During August 2017, TEGSA, our 100%-owned subsidiary, issued $400 million aggregate principal amount of 3.125% senior notes due August 2027 and $100 million aggregate principal amount of 3.45% senior notes due August 2024. The 3.45% senior notes were issued under an existing indenture under which TEGSA had previously issued $250 million aggregate principal amount. The notes are TEGSA's unsecured senior obligations and rank equally in right of payment with all existing and any future senior indebtedness of TEGSA and senior to any subordinated indebtedness that TEGSA may incur.

TEGSA has a five-year unsecured senior revolving credit facility ("Credit Facility") with a maturity date of December 2020 and total commitments of $1,500 million. TEGSA had no borrowings under the Credit Facility at fiscal year end 2017 or 2016.

The Credit Facility contains a financial ratio covenant providing that if, as of the last day of each fiscal quarter, our ratio of Consolidated Total Debt to Consolidated EBITDA (as defined in the Credit Facility) for the then most recently concluded period of four consecutive fiscal quarters exceeds 3.75 to 1.0, an Event of Default (as defined in the Credit Facility) is triggered. The Credit Facility and our other debt agreements contain other customary covenants. None of our covenants are presently considered restrictive to our operations. As of fiscal year end 2017, we were in compliance with all of our debt covenants and believe that we will continue to be in compliance with our existing covenants for the foreseeable future.

Periodically, TEGSA issues commercial paper to U.S. institutional accredited investors and qualified institutional buyers in accordance with available exemptions from the registration requirements of the Securities Act of 1933 as part of our ongoing effort to maintain financial flexibility and to potentially decrease the cost of borrowings. Borrowings under the commercial paper program are backed by the Credit Facility.

TEGSA's payment obligations under its senior notes, commercial paper, and Credit Facility are fully and unconditionally guaranteed by its parent, TE Connectivity Ltd.

Payments of common share dividends to shareholders were $546 million, $509 million, and $502 million in fiscal 2017, 2016, and 2015, respectively. See Note 18 to the Consolidated Financial Statements for additional information regarding dividends on our common shares.

Future dividends on our common shares, if any, must be approved by our shareholders. In exercising their discretion to recommend to the shareholders that such dividends be approved, our board of directors will consider our results of operations, cash requirements and surplus, financial condition, statutory requirements of applicable law, contractual restrictions, and other factors that they may deem relevant.

During fiscal 2016 and 2015, our board of directors authorized increases of $1.0 billion and $3.0 billion, respectively, in the share repurchase program. We repurchased approximately 8 million of our common shares for $621 million, 43 million of our common shares for $2,610 million, and 18 million of our common shares for $1,163 million under the share repurchase program during fiscal 2017, 2016, and 2015, respectively. At fiscal year end 2017, we had $480 million of availability remaining under our share repurchase authorization.

Commitments and Contingencies

The following table provides a summary of our contractual obligations and commitments for debt, minimum lease payment obligations under non-cancelable leases, and other obligations at fiscal year end 2017:

		Payments Due by Fiscal Year					
	Total	2018	2019	2020	2021	2022	Thereafter
				(in millions)			
Debt (1)	$ 4,356	$ 710	$ 580	$ —	$ 250	$ 500	$ 2,316
Interest payments on debt (2)	1,239	146	119	109	103	88	674
Operating leases	454	110	85	62	51	42	104
Purchase obligations (3)	485	460	12	10	—	—	3
Total contractual cash obligations (4)(5)(6)	$ 6,534	$ 1,426	$ 796	$ 181	$ 404	$ 630	$ 3,097

(1) Debt represents principal payments. See Note 11 to the Consolidated Financial Statements for additional information regarding debt.

(2) Interest payments exclude the impact of our interest rate swaps.

(3) Purchase obligations consist primarily of commitments for purchases of goods and services.

(4) The above table does not reflect unrecognized income tax benefits of $501 million and related accrued interest and penalties of $60 million, the timing of which is uncertain. See Note 15 to the Consolidated Financial Statements for additional information regarding unrecognized income tax benefits, interest, and penalties.

(5) The above table does not reflect pension obligations to certain employees and former employees. We are obligated to make contributions to our pension plans; however, we are unable to determine the amount of plan contributions due to the inherent uncertainties of obligations of this type, including timing, interest rate charges, investment performance, and amounts of benefit payments. We expect to contribute $62 million to pension plans in fiscal 2018, before consideration of any voluntary contributions. See Note 14 to the

Consolidated Financial Statements for additional information regarding these plans and our estimates of future contributions and benefit payments.

(6) Other long-term liabilities of $482 million are excluded from the above table as we are unable to estimate the timing of payment for these items.

Legal Proceedings

In the normal course of business, we are subject to various legal proceedings and claims, including patent infringement claims, product liability matters, employment disputes, disputes on agreements, other commercial disputes, environmental matters, antitrust claims, and tax matters, including non-income tax matters such as value added tax, sales and use tax, real estate tax, and transfer tax. Although it is not feasible to predict the outcome of these proceedings, based upon our experience, current information, and applicable law, we do not expect that the outcome of these proceedings, either individually or in the aggregate, will have a material effect on our results of operations, financial position, or cash flows.

Off-Balance Sheet Arrangements

In certain instances, we have guaranteed the performance of third parties and provided financial guarantees for uncompleted work and financial commitments. The terms of these guarantees vary with end dates ranging from fiscal 2018 through the completion of such transactions. The guarantees would be triggered in the event of nonperformance, and the potential exposure for nonperformance under the guarantees would not have a material effect on our results of operations, financial position, or cash flows.

In disposing of assets or businesses, we often provide representations, warranties, and/or indemnities to cover various risks including unknown damage to assets, environmental risks involved in the sale of real estate, liability for investigation and remediation of environmental contamination at waste disposal sites and manufacturing facilities, and unidentified tax liabilities and legal fees related to periods prior to disposition. We do not expect that these uncertainties will have a material adverse effect on our results of operations, financial position, or cash flows.

At fiscal year end 2017, we had outstanding letters of credit, letters of guarantee, and surety bonds of $298 million.

Critical Accounting Policies and Estimates

The preparation of the Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Our significant accounting policies are summarized in Note 2 to the Consolidated Financial Statements. We believe the following accounting policies are the most critical as they require significant judgments and assumptions that involve inherent risks and uncertainties. Management's estimates are based on the relevant information available at the end of each period.

Revenue Recognition

Our revenue recognition policies are in accordance with Accounting Standards Codification ("ASC") 605, *Revenue Recognition* . Our revenues are generated principally from the sale of our products. Revenue from the sale of products is recognized at the time title and the risks and rewards of ownership pass to the customer. This generally occurs when the products reach the shipping point, the sales price is fixed and determinable, and collection is reasonably assured. A reserve for estimated returns is established at the time of sale based on historical return experience and is recorded as a reduction of sales. Other allowances include customer quantity and price discrepancies. A reserve for other allowances is generally established at the time of sale based on historical experience and also is recorded as a reduction of sales.

Contract revenues for construction related projects, which are generated in the Communications Solutions segment, are recorded primarily using the percentage-of-completion method. Profits recognized on contracts in process are based upon estimated contract revenue and related cost to complete. Percentage-of-completion is measured based on the ratio of actual costs incurred to total estimated costs. Revisions in cost estimates as contracts progress have the effect of increasing or decreasing profits in the current period. Provisions for anticipated losses are made in the period in which they first become determinable. In addition, provisions for credit losses related to unbilled receivables on construction related projects are recorded as reductions of revenue in the period in which they first become determinable.

Goodwill and Other Intangible Assets

Intangible assets include both indeterminable-lived residual goodwill and determinable-lived identifiable intangible assets. Intangible assets with determinable lives primarily include intellectual property, consisting of patents, trademarks, and unpatented technology, and customer relationships. Recoverability estimates range from 1 to 50 years and costs are generally amortized on a straight-line basis. Evaluations of the remaining useful lives of determinable-lived intangible assets are performed on a periodic basis and when events and circumstances warrant.

We test for goodwill impairment at the reporting unit level. A reporting unit is generally an operating segment or one level below an operating segment that constitutes a business for which discrete financial information is available and regularly reviewed by segment management. At fiscal year end 2017, we had six reporting units, five of which contained goodwill. There were two reporting units in each of our three segments. When changes occur in the composition of one or more reporting units, goodwill is reassigned to the reporting units affected based on their relative fair values. We review our reporting unit structure each year as part of our annual goodwill impairment test, or more frequently based on changes in our structure.

Goodwill impairment is evaluated by comparing the carrying value of each reporting unit to its fair value on the first day of the fourth fiscal quarter of each year or whenever we believe a triggering event requiring a more frequent assessment has occurred. In assessing the existence of a triggering event, management relies on a number of reporting unit-specific factors including operating results, business plans, economic projections, anticipated future cash flows, transactions, and market place data. There are inherent uncertainties related to these factors and management's judgment in applying these factors to the impairment analysis.

When testing for goodwill impairment, we perform a step I goodwill impairment test to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its fair value, goodwill may be impaired and a step II goodwill impairment test is performed to measure the amount of impairment, if any. In the step II goodwill impairment test, we compare the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess. The implied fair value of goodwill is determined in a manner consistent with how goodwill is recognized in a business combination. We allocate the fair value of a reporting unit to the assets and liabilities of that unit, including intangible assets, as if the reporting unit had been acquired in a business combination. Any excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill.

Fair value estimates used in the step I goodwill impairment tests are calculated using an income approach based on the present value of future cash flows of each reporting unit. The income approach generally has been supported by guideline analyses (a market approach). These approaches incorporate a number of assumptions including future growth rates, discount rates, income tax rates, and market activity in assessing fair value and are reporting unit specific. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairments in future periods.

We completed our annual goodwill impairment test in the fourth quarter of fiscal 2017 and determined that no impairment existed.

Income Taxes

In determining income for financial statement purposes, we must make certain estimates and judgments. These estimates and judgments affect the calculation of certain tax liabilities and the determination of the recoverability of certain deferred tax assets, which arise from temporary differences between the income tax return and financial statement recognition of revenue and expense.

In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence including our past operating results, the existence of cumulative losses in the most recent years, and our forecast of taxable income. In estimating future taxable income, we develop assumptions including the amount of pre-tax operating income in various tax jurisdictions, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses.

We currently have recorded significant valuation allowances that we intend to maintain until it is more likely than not the deferred tax assets will be realized. Our income tax expense recorded in the future will be reduced to the extent of decreases in our valuation allowances. The realization of our remaining deferred tax assets is dependent primarily on future taxable income in the appropriate jurisdictions. Any reduction in future taxable income including any future restructuring activities may require that we record an additional valuation allowance against our deferred tax assets. An increase in the valuation allowance would result in additional income tax expense in such period and could have a significant impact on our future earnings.

Changes in tax laws and rates also could affect recorded deferred tax assets and liabilities in the future. Management is not aware of any such changes that would have a material effect on our results of operations, financial position, or cash flows.

In addition, the calculation of our tax liabilities includes estimates for uncertainties in the application of complex tax regulations across multiple global jurisdictions where we conduct our operations. Under the uncertain tax position provisions of ASC 740, *Income Taxes* , we recognize liabilities for tax and related interest for issues in tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes and related interest will be due. These tax liabilities and related interest are reflected net of the impact of related tax loss carryforwards, as such tax loss carryforwards will be applied against these tax liabilities and will reduce the amount of cash tax payments due upon the eventual settlement with the tax authorities. These estimates may change due to changing facts and circumstances. Due to the complexity of these uncertainties, the ultimate resolution may result in a settlement that differs from our current estimate of the tax liabilities and related interest. These tax liabilities and related interest are recorded in income taxes and accrued and other current liabilities on the Consolidated Balance Sheets.

Pension Liabilities

Our defined benefit pension plan expense and obligations are developed from actuarial assumptions. The funded status of our plans is recognized on the Consolidated Balance Sheets and is measured as the difference between the fair value of plan assets and the projected benefit obligation at the measurement date. The projected benefit obligation represents the actuarial present value of benefits projected to be paid upon retirement factoring in estimated future compensation levels. The fair value of plan assets represents the current market value of cumulative company and participant contributions made to irrevocable trust funds, held for the sole benefit of participants, which are invested by the trustee of the funds. The benefits under our defined benefit pension plans are based on various factors, such as years of service and compensation.

Net periodic pension benefit cost is based on the utilization of the projected unit credit method of calculation and is charged to earnings on a systematic basis over the expected average remaining service lives of current participants.

Two critical assumptions in determining pension expense and obligations are the discount rate and expected long-term return on plan assets. We evaluate these assumptions at least annually. Other assumptions reflect demographic factors such as retirement, mortality, and employee turnover. These assumptions are evaluated periodically and updated to reflect our actual experience. Actual results may differ from actuarial assumptions. The discount rate represents the market rate for high-quality fixed income investments and is used to calculate the present value of the expected future cash flows for benefit obligations to be paid under our pension plans. A decrease in the discount rate increases the present value of pension benefit obligations. At fiscal year end 2017, a 25-basis point decrease in the discount rate would have increased the present value of our pension obligations by $134 million; a 25-basis point increase would have decreased the present value of our pension obligations by $120 million. We consider the current and expected asset allocations of our pension plans, as well as historical and expected long-term rates of return on those types of plan assets, in determining the expected long-term rate of return on plan assets. A 50-basis point decrease or increase in the expected long-term return on plan assets would have increased or decreased, respectively, our fiscal 2017 pension expense by $11 million.

The long-term target asset allocation in our U.S. plans' master trust is 10% equity and 90% fixed income. Asset re-allocation to meet that target is occurring over a multi-year period based on the funded status. We expect to reach our target allocation when the funded status of the plans exceeds 105%. Based on the funded status of the plans as of fiscal year end 2017, our target asset allocation is 45% equity and 55% fixed income.

Accounting Pronouncements

See Note 2 to the Consolidated Financial Statements for information regarding recently issued and recently adopted accounting pronouncements.

Non-GAAP Financial Measure

Organic Net Sales Growth

We present organic net sales growth as we believe it is appropriate for investors to consider this adjusted financial measure in addition to results in accordance with GAAP. Organic net sales growth represents net sales growth (the most comparable GAAP financial measure) excluding the impact of foreign currency exchange rates, and acquisitions and divestitures that occurred in the preceding twelve months, if any. Organic net sales growth is a useful measure of our performance because it excludes items that are not completely under management's control, such as the impact of changes in foreign currency exchange rates, and items that do not reflect the underlying growth of the company, such as acquisition and divestiture activity.

Organic net sales growth provides useful information about our results and the trends of our business. Management uses organic net sales growth to monitor and evaluate performance. Also, management uses organic net sales growth together with GAAP financial measures in its decision-making processes related to the operations of our reportable segments and our overall company. It is also a significant component in our incentive compensation plans. We believe that investors benefit from having access to the same financial measures that management uses in evaluating operations. The tables presented in "Results of Operations" and "Segment Results" provide reconciliations of organic net sales growth to net sales growth calculated in accordance with GAAP.

Organic net sales growth is a non-GAAP financial measure and should not be considered a replacement for results in accordance with GAAP. This non-GAAP financial measure may not be comparable to similarly-titled measures reported by other companies. The primary limitation of this measure is that it excludes the financial impact of items that would otherwise either increase or decrease our reported results. This limitation is best addressed by using organic net sales growth in combination with net sales growth in order to better understand the amounts, character, and impact of any increase or decrease in reported amounts.

Forward-Looking Information

Certain statements in this Annual Report are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among others, the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, acquisitions, divestitures, the effects of competition, and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "continue," "may," "should," or the negative of these terms or similar expressions.

Forward-looking statements involve risks, uncertainties, and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. Investors should not place undue reliance on any forward-looking statements. We do not have any intention or obligation to update forward-looking statements after we file this report except as required by law.

The following and other risks, which are described in greater detail in "Part I. Item 1A. Risk Factors," as well as other risks described in this Annual Report, could cause our results to differ materially from those expressed in forward-looking statements:

- conditions in the global or regional economies and global capital markets, and cyclical industry conditions;
- conditions affecting demand for products in the industries we serve, particularly the automotive industry;
- competition and pricing pressure;
- market acceptance of our new product introductions and product innovations and product life cycles;
- raw material availability, quality, and cost;
- fluctuations in foreign currency exchange rates;
- financial condition and consolidation of customers and vendors;
- reliance on third-party suppliers;
- risks associated with current and future acquisitions and divestitures;

- global risks of business interruptions such as natural disasters and political, economic, and military instability;
- risks associated with security breaches and other disruptions to our information technology infrastructure;
- risks related to compliance with current and future environmental and other laws and regulations;
- our ability to protect our intellectual property rights;
- risks of litigation;
- our ability to operate within the limitations imposed by our debt instruments;
- the possible effects on us of various U.S. and non-U.S. legislative proposals and other initiatives that, if adopted, could materially increase our worldwide corporate effective tax rate and negatively impact our U.S. government contracts business;
- various risks associated with being a Swiss corporation;
- the impact of fluctuations in the market price of our shares; and
- the impact of certain provisions of our articles of association on unsolicited takeover proposals.

There may be other risks and uncertainties that we are unable to predict at this time or that we currently do not expect to have a material adverse effect on our business.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, our financial position is routinely subject to a variety of risks, including market risks associated with interest rate and foreign currency movements on outstanding debt and non-U.S. dollar denominated assets and liabilities and commodity price movements. We utilize established risk management policies and procedures in executing derivative financial instrument transactions to manage a portion of these risks.

We do not execute transactions or hold derivative financial instruments for trading or speculative purposes. Substantially all counterparties to derivative financial instruments are limited to major financial institutions with at least an A/A2 credit rating. There is no significant concentration of exposures with any one counterparty.

Foreign Currency Exposures

As part of managing the exposure to changes in foreign currency exchange rates, we utilize cross-currency swap contracts, foreign currency forward contracts, and foreign currency swap contracts, a portion of which are designated as cash flow hedges. The objective of these contracts is to minimize impacts to cash flows and profitability due to changes in foreign currency exchange rates on intercompany and other cash transactions. A 10% appreciation or depreciation of the underlying currency in our cross-currency swap contracts, foreign currency forward contracts, or foreign currency swap contracts from the fiscal year end 2017 market rates would have changed the unrealized value of our contracts by $122 million. A 10% appreciation or depreciation of the underlying currency in our cross-currency swap contracts, foreign currency forward contracts, or foreign currency swap contracts from the fiscal year end 2016 market rates would have changed the unrealized value of our contracts by $112 million. Such gains or losses on these contracts would generally be offset by the losses or gains on the revaluation or settlement of the underlying transactions.

Interest Rate and Investment Exposures

We issue debt, as needed, to fund our operations and capital requirements. Such borrowings can result in interest rate exposure. To manage the interest rate exposure, we use interest rate swaps to convert a portion of fixed-rate debt into variable-rate debt. We use forward starting interest rate swaps and options to enter into interest rate swaps to manage interest rate exposure in periods prior to the anticipated issuance of fixed-rate debt. We also utilize investment swaps to manage earnings exposure on certain nonqualified deferred compensation liabilities.

Based on our floating rate debt balances at fiscal year end 2017 and 2016, an increase in the levels of the U.S. dollar interest rates by 0.5%, with all other variables held constant, would have resulted in an immaterial increase in interest expense in both fiscal 2017 and 2016.

Commodity Exposures

Our worldwide operations and product lines may expose us to risks from fluctuations in commodity prices. To limit the effects of fluctuations in the future market price paid and related volatility in cash flows, we utilize commodity swap contracts designated as cash flow hedges. We continually evaluate the commodity market with respect to our forecasted usage requirements over the next eighteen months and periodically enter into commodity swap contracts to hedge a portion of usage requirements over that period. At fiscal year end 2017, our commodity hedges, which related to expected purchases of gold, silver, and copper, were in a net gain position of $20 million and had a notional value of $314 million. At fiscal year end 2016, our commodity hedges, which related to expected purchases of gold, silver, and copper, were in a net gain position of $11 million and had a notional value of $232 million. A 10% appreciation or depreciation of the price of a troy ounce of gold, a troy ounce of silver, and a pound of copper, from the fiscal year end 2017 prices would have changed the unrealized value of our forward contracts by $33 million. A 10% appreciation or depreciation of the price of a troy ounce of gold, a troy ounce of silver, and a pound of copper, from the fiscal year end 2016 prices would have changed the unrealized value of our forward contracts by $24 million.

See Note 13 to the Consolidated Financial Statements for additional information regarding financial instruments.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following Consolidated Financial Statements and schedule specified by this Item, together with the reports thereon of Deloitte & Touche LLP, are presented following Item 15 and the signature pages of this report:

Financial Statements:

Reports of Independent Registered Public Accounting Firm

Consolidated Statements of Operations for the Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

Consolidated Statements of Comprehensive Income for the Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

Consolidated Balance Sheets as of September 29, 2017 and September 30, 2016

Consolidated Statements of Shareholders' Equity for the Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

Consolidated Statements of Cash Flows for the Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

Notes to Consolidated Financial Statements

Financial Statement Schedule:

Schedule II—Valuation and Qualifying Accounts

All other financial statements and schedules have been omitted since the information required to be submitted has been included on the Consolidated Financial Statements and related notes or because they are either not applicable or not required under the rules of Regulation S-X.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of September 29, 2017. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 29, 2017.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, management concluded our internal control over financial reporting was effective as of September 29, 2017.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting as of September 29, 2017, which is included in this Annual Report.

Changes in Internal Control Over Financial Reporting

During the quarter ended September 29, 2017, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning directors, executive officers, and corporate governance may be found under the captions "Agenda Item No. 1—Election of Directors," "Nominees for Election," "Corporate Governance," "The Board of Directors and Board Committees," and "Executive Officers" in our definitive proxy statement for our 2018 Annual General Meeting of Shareholders (the "2018 Proxy Statement"), which will be filed with the SEC within 120 days after the close of our fiscal year. Such information is incorporated herein by reference. The information in the 2018 Proxy Statement under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference.

Code of Ethics

We have adopted a guide to ethical conduct, which applies to all employees, officers, and directors. Our Guide to Ethical Conduct meets the requirements of a "code of ethics" as defined by Item 406 of Regulation S-K and applies to our Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, as well as all other employees and directors. Our Guide to Ethical Conduct also meets the requirements of a code of business conduct and ethics under the listing standards of the NYSE. Our Guide to Ethical Conduct is posted on our website at *www.te.com* under the heading "Corporate Responsibility—Governance—Guide to Ethical Conduct." We also will provide a copy of our Guide to Ethical Conduct to shareholders upon request. We intend to disclose any amendments to our Guide to Ethical Conduct, as well as any waivers for executive officers or directors, on our website.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation may be found under the captions "Compensation Discussion and Analysis," "Management Development and Compensation Committee Report," "Compensation Committee Interlocks and Insider Participation," "Executive Officer Compensation," and "Compensation of Non-Employee Directors" in our 2018 Proxy Statement. Such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in our 2018 Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management" is incorporated herein by reference.

Equity Compensation Plan Information

The following table provides information as of fiscal year end 2017 with respect to common shares issuable under our equity compensation plans:

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:			
2007 Stock and Incentive Plan, amended and restated as of March 8, 2017 (1)	9,031,547	$ 55.12	21,065,385
Equity compensation plans not approved by security holders:			
Equity awards under the 2010 Stock and Incentive Plan, amended and restated as of March 9, 2017 (2)	1,451,893	60.88	1,733,230
Total	10,483,440		22,798,615

(1) The TE Connectivity Ltd. 2007 Stock and Incentive Plan, amended and restated as of March 8, 2017 (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) 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) 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 both the 2017 Plan and the 2010 Plan are increased by forfeitures and cancellations, among other factors.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information in our 2018 Proxy Statement under the captions "Corporate Governance," "The Board of Directors and Board Committees," and "Certain Relationships and Related Transactions" is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information in our 2018 Proxy Statement under the caption "Agenda Item No. 7—Election of Auditors—Agenda Item No. 7.1" is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements. See Item 8.

2. Financial Statement Schedule. See Item 8.

3. Exhibit Index:

Exhibit Number		Description	Incorporated by Reference Herein Form	Exhibit	Filing Date
2.1		Separation and Distribution Agreement among Tyco International Ltd., Covidien Ltd. and Tyco Electronics Ltd., dated as of June 29, 2007	Current Report on Form 8-K	2.1	July 5, 2007
2.2	†	Stock and Asset Purchase Agreement, dated as of January 27, 2015, by and among TE Connectivity Ltd., CommScope Holding Company, Inc. and CommScope, Inc.	Current Report on Form 8-K	2.1	January 29, 2015
2.3	†	Share Purchase Agreement dated as of February 1, 2016 by and between TE Connectivity Ltd. and Cregstar Holdco Limited	Quarterly Report on Form 10-Q for the quarterly period ended March 25, 2016	2.1	April 21, 2016
3.1		Articles of Association of TE Connectivity Ltd., as amended and restated	Current Report on Form 8-K	3.1	May 16, 2017
3.2		Organizational Regulations of TE Connectivity Ltd., as amended and restated	Current Report on Form 8-K	3.2	March 6, 2015
4.1(a)		Indenture among Tyco Electronics Group S.A., Tyco Electronics Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated as of September 25, 2007	Annual Report on Form 10-K for the fiscal year ended September 28, 2007	4.1(a)	December 14, 2007
4.1(b)		Second Supplemental Indenture among Tyco Electronics Group S.A., Tyco Electronics Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated as of September 25, 2007	Annual Report on Form 10-K for the fiscal year ended September 28, 2007	4.1(c)	December 14, 2007
4.1(c)		Third Supplemental Indenture among Tyco Electronics Group S.A., Tyco Electronics Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated as of September 25, 2007	Annual Report on Form 10-K for the fiscal year ended September 28, 2007	4.1(d)	December 14, 2007

Exhibit Number	Description	Incorporated by Reference Herein Form	Exhibit	Filing Date
4.1(d)	Fifth Supplemental Indenture among Tyco Electronics Group S.A., Tyco Electronics Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated as of December 20, 2010	Current Report on Form 8-K	4.1	December 20, 2010
4.1(e)	Seventh Supplemental Indenture among Tyco Electronics Group S.A., TE Connectivity Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated as of February 3, 2012	Current Report on Form 8-K	4.2	February 3, 2012
4.1(f)	Eighth Supplemental Indenture among Tyco Electronics Group S.A., TE Connectivity Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated as of November 25, 2013	Current Report on Form 8-K	4.1	November 25, 2013
4.1(g)	Ninth Supplemental Indenture among Tyco Electronics Group S.A., TE Connectivity Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated as of July 31, 2014	Current Report on Form 8-K	4.1	July 31, 2014
4.1(h)	Tenth Supplemental Indenture among Tyco Electronics Group S.A., TE Connectivity Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated July 31, 2014	Current Report on Form 8-K	4.2	July 31, 2014
4.1(i)	Twelfth Supplemental Indenture among Tyco Electronics Group S.A., TE Connectivity Ltd. and Deutsche Bank Trust Company Americas, as trustee, dated as of February 27, 2015	Current Report on Form 8-K	4.1	February 27, 2015
4.1(j)	Thirteenth Supplemental Indenture among Tyco Electronics Group S.A., as issuer, TE Connectivity Ltd., as guarantor, and Deutsche Bank Trust Company Americas, as trustee, dated as of January 28, 2016	Current Report on Form 8-K	4.1	January 28, 2016
4.1(k)	Fourteenth Supplemental Indenture among Tyco Electronics Group S.A., as issuer, TE Connectivity Ltd., as guarantor, and Deutsche Bank Trust Company Americas, as trustee, dated as of August 3, 2017	Current Report on Form 8-K	4.2	August 3, 2017
10.1	Tax Sharing Agreement among Tyco International Ltd., Covidien Ltd. and Tyco Electronics Ltd., dated as of June 29, 2007	Current Report on Form 8-K	10.1	July 5, 2007

Exhibit Number		Description	Incorporated by Reference Herein Form	Exhibit	Filing Date
10.2		Five-Year Senior Credit Agreement among Tyco Electronics Group S.A., as borrower, TE Connectivity Ltd., as guarantor, the lenders parties thereto and Deutsche Bank AG New York Branch, as administrative agent, dated as of June 24, 2011	Current Report on Form 8-K	10.1	June 27, 2011
10.3		First Amendment to the Five-Year Senior Credit Agreement dated as of August 2, 2013 among Tyco Electronics Group S.A., as borrower, TE Connectivity Ltd., as guarantor, the lenders parties thereto and Deutsche Bank AG New York Branch, as administrative agent	Current Report on Form 8-K	10.1	August 2, 2013
10.4		Second Amendment to the Five-Year Senior Credit Agreement dated as of December 9, 2015 by and among Tyco Electronics Group S.A., as borrower, TE Connectivity Ltd., as guarantor, the lenders parties thereto, and Deutsche Bank AG New York Branch, as existing administrative agent, and Bank of America, N.A., as administrative agent	Current Report on Form 8-K	10.1	December 9, 2015
10.5	‡	TE Connectivity Ltd. 2007 Stock and Incentive Plan (amended and restated as of March 8, 2017)	Current Report on Form 8-K	10.1	March 9, 2017
10.6	‡*	TE Connectivity Ltd. Employee Stock Purchase Plan (as amended and restated)			
10.7	‡	Form of Option Award Terms and Conditions	Quarterly Report on Form 10-Q for the quarterly period ended December 24, 2010	10.3	January 24, 2011
10.8	‡*	Form of Option Award Terms and Conditions for Option Grants Beginning in November 2017			
10.9	‡	Form of Restricted Unit Award Terms and Conditions	Quarterly Report on Form 10-Q for the quarterly period ended December 24, 2010	10.4	January 24, 2011
10.10	‡*	Form of Restricted Stock Unit Award Terms and Conditions for RSU Grants Beginning in November 2017			

Exhibit Number		Description	Incorporated by Reference Herein		
			Form	Exhibit	Filing Date
10.11	‡	Form of Performance Stock Unit Award Terms and Conditions	Quarterly Report on Form 10-Q for the quarterly period ended December 28, 2012	10.1	January 25, 2013
10.12	‡	Form of Performance Stock Unit Award Terms and Conditions for Performance Cycles Starting in Fiscal Year 2016 and Fiscal Year 2017	Annual Report on Form 10-K for the fiscal year ended September 30, 2016	10.11	November 15, 2016
10.13	‡*	Form of Performance Stock Unit Award Terms and Conditions for Performance Cycles Starting in and After Fiscal Year 2018			
10.14	‡	TE Connectivity Change in Control Severance Plan for Certain U.S. Executives (as amended and restated)	Annual Report on Form 10-K for the fiscal year ended September 25, 2015	10.10	November 10, 2015
10.15	‡	TE Connectivity Severance Plan for U.S. Executives (as amended and restated)	Annual Report on Form 10-K for the fiscal year ended September 25, 2015	10.11	November 10, 2015
10.16	‡	Tyco Electronics Ltd. Deferred Compensation Plan for Directors	Annual Report on Form 10-K for the fiscal year ended September 28, 2007	10.16	December 14, 2007
10.17	‡	Tyco Electronics Corporation Supplemental Savings and Retirement Plan	Annual Report on Form 10-K for the fiscal year ended September 25, 2009	10.13	November 18, 2009
10.18	‡	Tyco Electronics Ltd. UK Savings Related Share Plan	Annual Report on Form 10-K for the fiscal year ended September 28, 2007	10.23	December 14, 2007
10.19		Form of Indemnification Agreement	Annual Report on Form 10-K for the fiscal year ended September 30, 2016	10.17	November 15, 2016
10.20	‡*	TE Connectivity Ltd. 2010 Stock and Incentive Plan (amended and restated March 9, 2017)			
10.21	‡	Employment Agreement between Thomas J. Lynch and Tyco Electronics Corporation dated December 15, 2015	Current Report on Form 8-K	10.1	December 16, 2015

Exhibit Number		Description	Incorporated by Reference Herein Form	Exhibit	Filing Date
10.22	‡	Employment Agreement between Terrence R. Curtin and Tyco Electronics Corporation dated December 15, 2015	Current Report on Form 8-K	10.2	December 16, 2015
10.23	‡	Employment Agreement between Joseph B. Donahue and Tyco Electronics Corporation dated December 15, 2015	Current Report on Form 8-K	10.4	December 16, 2015
10.24	‡	Employment Agreement between Steven T. Merkt and Tyco Electronics Corporation dated December 15, 2015	Current Report on Form 8-K	10.6	December 16, 2015
10.25	‡	Employment Agreement between Heath A. Mitts and Tyco Electronics Corporation dated September 30, 2016	Current Report on Form 8-K	10.1	October 3, 2016
21.1	*	Subsidiaries of TE Connectivity Ltd.			
23.1	*	Consent of Independent Registered Public Accounting Firm			
24.1	*	Power of Attorney			
31.1	*	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
31.2	*	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
32.1	**	Certification by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
101	*	Financial statements from the Annual Report on Form 10-K of TE Connectivity Ltd. for the fiscal year ended September 29, 2017, filed on November 14, 2017, formatted in XBRL: (i) the Consolidated Statements of Operations, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Shareholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements			

† The schedules to the Stock and Asset Purchase Agreement and Share Purchase Agreement have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. We will furnish copies of such schedules to the SEC upon its request; provided, however, that we may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934 for any schedule so furnished.

‡ Management contract or compensatory plan or arrangement

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TE CONNECTIVITY LTD.

By: /s/ HEATH A. MITTS

Heath A. Mitts
Executive Vice President
and Chief Financial Officer
(Principal Financial Officer)

Date: November 14, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ TERRENCE R. CURTIN Terrence R. Curtin	Chief Executive Officer and Director (Principal Executive Officer)	November 14, 2017
/s/ HEATH A. MITTS Heath A. Mitts	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	November 14, 2017
/s/ ROBERT J. OTT Robert J. Ott	Senior Vice President and Corporate Controller (Principal Accounting Officer)	November 14, 2017
* Pierre R. Brondeau	Director	November 14, 2017
* Carol A. Davidson	Director	November 14, 2017
* William A. Jeffrey	Director	November 14, 2017

Signature	Title	Date
* Thomas J. Lynch	Director	November 14, 2017
* Yong Nam	Director	November 14, 2017
* Daniel J. Phelan	Director	November 14, 2017
* Paula A. Sneed	Director	November 14, 2017
* Abhijit Y. Talwalkar	Director	November 14, 2017
* Mark C. Trudeau	Director	November 14, 2017
* John C. Van Scoter	Director	November 14, 2017
* Laura H. Wright	Director	November 14, 2017

* John S. Jenkins, Jr., by signing his name hereto, does sign this document on behalf of the above noted individuals, pursuant to powers of attorney duly executed by such individuals, which have been filed as Exhibit 24.1 to this Report.

By: /s/ JOHN S. JENKINS, JR.

John S. Jenkins, Jr.
Attorney-in-fact

TE CONNECTIVITY LTD.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of TE Connectivity Ltd.:

We have audited the accompanying consolidated balance sheets of TE Connectivity Ltd. and subsidiaries (the "Company") as of September 29, 2017 and September 30, 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three fiscal years in the period ended September 29, 2017. Our audits also included the financial statement schedule listed in the Index at Item 15. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 29, 2017 and September 30, 2016, and the results of its operations and its cash flows for each of the three fiscal years in the period ended September 29, 2017, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of September 29, 2017, based on the criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 14, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania
November 14, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of TE Connectivity Ltd.:

We have audited the internal control over financial reporting of TE Connectivity Ltd. and subsidiaries (the "Company") as of September 29, 2017, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 29, 2017, based on the criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule of the Company as of and for the fiscal year ended September 29, 2017, and our report dated November 14, 2017 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania
November 14, 2017

TE CONNECTIVITY LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions, except per share data)		
Net sales	$ 13,113	$ 12,238	$ 12,233
Cost of sales	8,663	8,205	8,146
Gross margin	4,450	4,033	4,087
Selling, general, and administrative expenses	1,591	1,463	1,504
Research, development, and engineering expenses	658	644	627
Acquisition and integration costs	6	22	55
Restructuring and other charges, net	148	2	152
Operating income	2,047	1,902	1,749
Interest income	20	19	17
Interest expense	(130)	(127)	(136)
Other expense, net	(9)	(632)	(55)
Income from continuing operations before income taxes	1,928	1,162	1,575
Income tax (expense) benefit	(255)	779	(337)
Income from continuing operations	1,673	1,941	1,238
Income from discontinued operations, net of income taxes	10	68	1,182
Net income	$ 1,683	$ 2,009	$ 2,420
Basic earnings per share:			
Income from continuing operations	$ 4.71	$ 5.30	$ 3.06
Income from discontinued operations	0.03	0.19	2.92
Net income	4.74	5.49	5.98
Diluted earnings per share:			
Income from continuing operations	$ 4.67	$ 5.26	$ 3.01
Income from discontinued operations	0.03	0.18	2.88
Net income	4.70	5.44	5.89
Dividends paid per common share	$ 1.54	$ 1.40	$ 1.24
Weighted-average number of shares outstanding:			
Basic	355	366	405
Diluted	358	369	411

See Notes to Consolidated Financial Statements.

TE CONNECTIVITY LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

	Fiscal		
	2017	2016	2015
		(in millions)	
Net income	$ 1,683	$ 2,009	$ 2,420
Other comprehensive income (loss):			
Currency translation	37	(92)	(312)
Adjustments to unrecognized pension and postretirement benefit costs, net of income taxes	330	(88)	(46)
Gains on cash flow hedges, net of income taxes	15	11	2
Other comprehensive income (loss)	382	(169)	(356)
Comprehensive income .	$ 2,065	$ 1,840	$ 2,064

See Notes to Consolidated Financial Statements.

TE CONNECTIVITY LTD.

CONSOLIDATED BALANCE SHEETS

As of September 29, 2017 and September 30, 2016

	Fiscal Year End	
	2017	2016
	(in millions, except share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 1,218	$ 647
Accounts receivable, net of allowance for doubtful accounts of $21 and $17, respectively	2,290	2,046
Inventories	1,813	1,596
Prepaid expenses and other current assets	605	486
Total current assets	5,926	4,775
Property, plant, and equipment, net	3,400	3,052
Goodwill	5,651	5,492
Intangible assets, net	1,841	1,879
Deferred income taxes	2,141	2,111
Other assets	444	299
Total Assets	$ 19,403	$ 17,608
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term debt	$ 710	$ 331
Accounts payable	1,436	1,090
Accrued and other current liabilities	1,626	1,437
Deferred revenue	75	208
Total current liabilities	3,847	3,066
Long-term debt	3,634	3,739
Long-term pension and postretirement liabilities	1,160	1,502
Deferred income taxes	236	207
Income taxes	293	247
Other liabilities	482	362
Total Liabilities	9,652	9,123
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Common shares, CHF 0.57 par value, 357,069,981 shares authorized and issued, and 382,835,381 shares authorized and issued, respectively	157	168
Contributed surplus	—	1,801
Accumulated earnings	10,175	8,682
Treasury shares, at cost, 5,356,369 and 27,554,005 shares, respectively	(421)	(1,624)
Accumulated other comprehensive loss	(160)	(542)
Total Shareholders' Equity	9,751	8,485
Total Liabilities and Shareholders' Equity	$ 19,403	$ 17,608

See Notes to Consolidated Financial Statements.

TE CONNECTIVITY LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

	Common Shares		Treasury Shares					
	Shares	**Amount**	**Shares**	**Amount**	**Contributed Surplus**	**Accumulated Earnings**	**Accumulated Other Comprehensive Loss**	**Total Shareholders' Equity**
					(in millions)			
Balance at September 26, 2014	419	$ 184	(11)	$ (644)	$ 5,231	$ 4,253	$ (17)	$ 9,007
Net income	—	—	—	—	—	2,420	—	2,420
Other comprehensive loss	—	—	—	—	—	—	(356)	(356)
Share-based compensation expense	—	—	—	—	95	—	—	95
Dividends approved	—	—	—	—	(526)	—	—	(526)
Exercise of share options	—	—	3	103	—	—	—	103
Restricted share award vestings and other activity	—	—	1	143	(138)	—	—	5
Repurchase of common shares	—	—	(18)	(1,163)	—	—	—	(1,163)
Cancellation of treasury shares	(5)	(2)	5	305	(303)	—	—	—
Balance at September 25, 2015	414	$ 182	(20)	$ (1,256)	$ 4,359	$ 6,673	$ (373)	$ 9,585
Net income	—	—	—	—	—	2,009	—	2,009
Other comprehensive loss	—	—	—	—	—	—	(169)	(169)
Share-based compensation expense	—	—	—	—	91	—	—	91
Dividends approved	—	—	—	—	(512)	—	—	(512)
Exercise of share options	—	—	2	90	—	—	—	90
Restricted share award vestings and other activity	—	—	2	146	(145)	—	—	1
Repurchase of common shares	—	—	(43)	(2,610)	—	—	—	(2,610)
Cancellation of treasury shares	(31)	(14)	31	2,006	(1,992)	—	—	—
Balance at September 30, 2016	383	$ 168	(28)	$ (1,624)	$ 1,801	$ 8,682	$ (542)	$ 8,485
Adoption of ASU No. 2016-09	—	—	—	—	—	165	—	165
Net income	—	—	—	—	—	1,683	—	1,683
Other comprehensive income	—	—	—	—	—	—	382	382
Share-based compensation expense	—	—	—	—	99	—	—	99
Dividends approved	—	—	—	—	(564)	—	—	(564)
Exercise of share options	—	—	3	117	—	—	—	117
Restricted share award vestings and other activity	—	—	2	195	(184)	(6)	—	5
Repurchase of common shares	—	—	(8)	(621)	—	—	—	(621)
Cancellation of treasury shares	(26)	(11)	26	1,512	(1,152)	(349)	—	—
Balance at September 29, 2017	357	$ 157	(5)	$ (421)	$ —	$ 10,175	$ (160)	$ 9,751

See Notes to Consolidated Financial Statements.

TE CONNECTIVITY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

	Fiscal		
	2017	2016	2015
		(in millions)	
Cash Flows From Operating Activities:			
Net income	$ 1,683	$ 2,009	$ 2,420
Income from discontinued operations, net of income taxes	(10)	(68)	(1,182)
Income from continuing operations	1,673	1,941	1,238
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
Depreciation and amortization	635	585	616
Deferred income taxes	(75)	178	40
Provision for losses on accounts receivable and inventories	19	17	36
Tax sharing expense	8	632	52
Share-based compensation expense	99	91	89
Gain on divestiture	—	(144)	—
Other	10	102	126
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:			
Accounts receivable, net	(253)	116	(210)
Inventories	(211)	16	(220)
Prepaid expenses and other current assets	(72)	282	36
Accounts payable	308	(75)	(5)
Accrued and other current liabilities	225	(4)	(155)
Deferred revenue	(137)	26	12
Income taxes	7	(1,764)	(52)
Other	86	45	33
Net cash provided by continuing operating activities	2,322	2,044	1,636
Net cash provided by (used in) discontinued operating activities	(1)	(97)	294
Net cash provided by operating activities	2,321	1,947	1,930
Cash Flows From Investing Activities:			
Capital expenditures	(702)	(628)	(600)
Proceeds from sale of property, plant, and equipment	19	8	17
Acquisition of businesses, net of cash acquired	(250)	(1,336)	(1,725)
Proceeds from divestiture of business, net of cash retained by sold business	4	333	—
Proceeds from divestiture of discontinued operations, net of cash retained by sold operations	—	(19)	2,957
Other	(3)	61	12
Net cash provided by (used in) continuing investing activities	(932)	(1,581)	661
Net cash used in discontinued investing activities	—	—	(25)
Net cash provided by (used in) investing activities	(932)	(1,581)	636
Cash Flows From Financing Activities:			
Net increase (decrease) in commercial paper	(330)	330	(328)
Proceeds from issuance of debt	589	352	617
Repayment of debt	—	(501)	(473)
Proceeds from exercise of share options	117	90	103
Repurchase of common shares	(614)	(2,787)	(1,023)
Payment of common share dividends to shareholders	(546)	(509)	(502)
Transfers (to) from discontinued operations	(1)	(97)	269
Other	(30)	(30)	(17)
Net cash used in continuing financing activities	(815)	(3,152)	(1,354)
Net cash provided by (used in) discontinued financing activities	1	97	(269)
Net cash used in financing activities	(814)	(3,055)	(1,623)
Effect of currency translation on cash	(4)	7	(71)
Net increase (decrease) in cash and cash equivalents	571	(2,682)	872
Cash and cash equivalents at beginning of fiscal year	647	3,329	2,457
Cash and cash equivalents at end of fiscal year	$ 1,218	$ 647	$ 3,329
Supplemental Cash Flow Information:			
Interest paid	$ 128	$ 117	$ 128
Income taxes paid, net of refunds	323	806	350

See Notes to Consolidated Financial Statements.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The Consolidated Financial Statements reflect the consolidated operations of TE Connectivity Ltd. and its subsidiaries and have been prepared in United States ("U.S.") dollars in accordance with accounting principles generally accepted in the U.S. ("GAAP").

Description of the Business

TE Connectivity Ltd. ("TE Connectivity" or the "Company," which may be referred to as "we," "us," or "our") is a global technology and manufacturing leader creating a safer, sustainable, productive, and connected future. For more than 75 years, our connectivity and sensor solutions, proven in the harshest environments, have enabled advancements in transportation, industrial applications, medical technology, energy, data communications, and the home.

We operate through three reportable segments:

- *Transportation Solutions.* The Transportation Solutions segment is a leader in connectivity and sensor technologies. Our products, which must withstand harsh conditions, are used in the automotive, commercial transportation, and sensors markets.

- *Industrial Solutions.* The Industrial Solutions segment is a leading supplier of products that connect and distribute power, data, and signals. Our products are used in the industrial equipment; aerospace, defense, oil, and gas; and energy markets.

- *Communications Solutions.* The Communications Solutions segment is a leading supplier of electronic components for the data and devices and the appliances markets. We are also a leader in developing, manufacturing, installing, and maintaining some of the world's most advanced subsea fiber optic communications systems.

Use of Estimates

The preparation of the Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Significant estimates in these Consolidated Financial Statements include restructuring and other charges, assets acquired and liabilities assumed in acquisitions, allowances for doubtful accounts receivable, estimates of future cash flows and discount rates associated with asset impairments, useful lives for depreciation and amortization, loss contingencies, net realizable value of inventories, estimated contract revenue and related costs, legal contingencies, tax reserves and deferred tax asset valuation allowances, and the determination of discount and other rate assumptions for pension benefit cost. Actual results could differ materially from these estimates.

Fiscal Year

We have a 52- or 53-week fiscal year that ends on the last Friday of September. For fiscal years in which there are 53 weeks, the fourth quarter reporting period includes 14 weeks. Fiscal 2017, 2016, and 2015 ended on September 29, 2017, September 30, 2016, and September 25, 2015, respectively. Fiscal 2017 and 2015 were 52 weeks in length. Fiscal 2016 was a 53-week year.

2. Summary of Significant Accounting Policies

Principles of Consolidation

We consolidate entities in which we own or control more than 50% of the voting shares or otherwise have the ability to control through similar rights. All intercompany transactions have been eliminated. The results of companies acquired or disposed of are included on the Consolidated Financial Statements from the effective date of acquisition or up to the date of disposal.

Revenue Recognition

Our revenues are generated principally from the sale of our products. Revenue from the sale of products is recognized at the time title and the risks and rewards of ownership pass to the customer. This generally occurs when the products reach the shipping point, the sales price is fixed and determinable, and collection is reasonably assured.

Contract revenues for construction related projects, which are generated in the Communications Solutions segment, are recorded primarily using the percentage-of-completion method. Profits recognized on contracts in process are based upon estimated contract revenue and related cost to complete. Percentage-of-completion is measured based on the ratio of actual costs incurred to total estimated costs. Revisions in cost estimates as contracts progress have the effect of increasing or decreasing profits in the current period. Provisions for anticipated losses are made in the period in which they first become determinable. In addition, provisions for credit losses related to unbilled receivables on construction related projects are recorded as reductions of revenue in the period in which they first become determinable.

We generally warrant that our products will conform to our, or mutually agreed to, specifications and that our products will be free from material defects in materials and workmanship for a limited time. We limit our warranty to the replacement or repair of defective parts, or a refund or credit of the price of the defective product. We accept returned goods only when the customer makes a verified claim and we have authorized the return. Generally, a reserve for estimated returns is established at the time of sale based on historical return experience and is recorded as a reduction of sales.

Additionally, certain of our long-term contracts in the Communications Solutions segment have warranty obligations. Estimated warranty costs for each contract are determined based on the contract terms and technology-specific considerations. These costs are included in total estimated contract costs and are accrued over the construction period of the respective contracts under percentage-of-completion accounting.

We provide certain distributors with an inventory allowance for returns or scrap equal to a percentage of qualified purchases. A reserve for estimated returns and scrap allowances is established at the time of the sale based on an agreed-upon, fixed percentage of sales to distributors and is recorded as a reduction of sales.

Other allowances include customer quantity and price discrepancies. A reserve for other allowances is generally established at the time of sale based on historical experience and is recorded as a reduction of sales. We believe we can reasonably and reliably estimate the amounts of future allowances.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are recorded at the lower of cost or market value using the first-in, first-out cost method, except for inventoried costs incurred in the performance of long-term contracts primarily by the Communications Solutions segment.

Property, Plant, and Equipment, Net

Property, plant, and equipment is recorded at cost less accumulated depreciation. Maintenance and repair expenditures are charged to expense when incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which are 10 to 20 years for land improvements, 5 to 40 years for buildings and improvements, and 1 to 15 years for machinery and equipment.

We periodically evaluate, when events and circumstances warrant, the net realizable value of property, plant, and equipment and other long-lived assets, relying on a number of factors including operating results, business plans, economic projections, and anticipated future cash flows. When indicators of potential impairment are present, the carrying values of the asset group are evaluated in relation to the operating performance and estimated future undiscounted cash flows of the underlying asset group. Impairment of the carrying value is recognized whenever anticipated future undiscounted cash flow estimates are less than the carrying value of the asset. Fair value estimates are based on assumptions concerning the amount and timing of estimated future cash flows and discount rates, reflecting varying degrees of perceived risk.

Goodwill and Other Intangible Assets

Intangible assets include both indeterminable-lived residual goodwill and determinable-lived identifiable intangible assets. Intangible assets with determinable lives primarily include intellectual property, consisting of patents, trademarks, and unpatented technology, and customer relationships. Recoverability estimates range from 1 to 50 years and costs are generally amortized on a straight-line basis. Evaluations of the remaining useful lives of determinable-lived intangible assets are performed on a periodic basis and when events and circumstances warrant.

At fiscal year end 2017, we had six reporting units, five of which contained goodwill. There were two reporting units in each of our three segments. When changes occur in the composition of one or more reporting units, goodwill is reassigned to the reporting units affected based on their relative fair values.

Goodwill impairment is evaluated by comparing the carrying value of each reporting unit to its fair value on the first day of the fourth fiscal quarter of each year or whenever we believe a triggering event requiring a more frequent assessment has occurred. In assessing the existence of a triggering event, management relies on a number of reporting unit-specific factors including operating results, business plans, economic projections, anticipated future cash flows, transactions, and market place data. There are inherent uncertainties related to these factors and management's judgment in applying these factors to the impairment analysis.

When testing for goodwill impairment, we perform a step I goodwill impairment test to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount. If the carrying amount of a reporting unit exceeds its fair value, goodwill may be impaired and a step II

2. Summary of Significant Accounting Policies (Continued)

goodwill impairment test is performed to measure the amount of impairment, if any. In the step II goodwill impairment test, we compare the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess. The implied fair value of goodwill is determined in a manner consistent with how goodwill is recognized in a business combination. We allocate the fair value of a reporting unit to the assets and liabilities of that unit, including intangible assets, as if the reporting unit had been acquired in a business combination. Any excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill.

Fair value estimates used in the step I goodwill impairment tests are calculated using an income approach based on the present value of future cash flows of each reporting unit. The income approach generally has been supported by guideline analyses (a market approach). These approaches incorporate a number of assumptions including future growth rates, discount rates, income tax rates, and market activity in assessing fair value and are reporting unit specific. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairments in future periods.

Research and Development

Research and development expenditures are expensed when incurred and are included in research, development, and engineering expenses on the Consolidated Statements of Operations. Research and development expenses include salaries, direct costs incurred, and building and overhead expenses. The amounts expensed in fiscal 2017, 2016, and 2015 were $595 million, $566 million, and $540 million, respectively.

Income Taxes

Income taxes are computed in accordance with the provisions of Accounting Standards Codification ("ASC") 740, *Income Taxes* . Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected on the Consolidated Financial Statements. Deferred tax liabilities and assets are determined based on the differences between the book and tax bases of particular assets and liabilities and operating loss carryforwards using tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided to offset deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The calculation of our tax liabilities includes estimates for uncertainties in the application of complex tax regulations across multiple global jurisdictions where we conduct our operations. Under the uncertain tax position provisions of ASC 740, we recognize liabilities for tax and related interest for issues in tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes and related interest will be due. These tax liabilities and related interest are reflected net of the impact of related tax loss carryforwards, as such tax loss carryforwards will be applied against these tax liabilities and will reduce the amount of cash tax payments due upon the eventual settlement with the tax authorities. These estimates may change due to changing facts and circumstances. Due to the complexity of these uncertainties, the ultimate resolution may result in a settlement that differs from our current estimate of the tax liabilities and related interest.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Financial Instruments

Our financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, debt, and derivative financial instruments.

We account for derivative financial instrument contracts on the Consolidated Balance Sheets at fair value. For instruments not designated as hedges under ASC 815, *Derivatives and Hedging* , the changes in the instruments' fair value are recognized currently in earnings. For instruments designated as cash flow hedges, the effective portion of changes in the fair value of a derivative is recorded in other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the underlying hedged item affects earnings. Ineffective portions of a cash flow hedge, including amounts excluded from the hedging relationship, are recognized currently in earnings. Changes in the fair value of instruments designated as fair value hedges affect the carrying value of the asset or liability hedged, with changes in both the derivative instrument and the hedged asset or liability being recognized currently in earnings.

We determine the fair value of our financial instruments by using methods and assumptions that are based on market conditions and risks existing at each balance sheet date. Standard market conventions are used to determine the fair value of financial instruments, including derivatives.

The cash flows related to derivative financial instruments are reported in the operating activities section of the Consolidated Statements of Cash Flows.

Our derivative financial instruments present certain market and counterparty risks. Concentration of counterparty risk is mitigated, however, by our use of financial institutions worldwide, substantially all of which have long-term Standard & Poor's, Moody's, and/or Fitch credit ratings of A/A2 or higher. In addition, we utilize only conventional derivative financial instruments. We are exposed to potential losses if a counterparty fails to perform according to the terms of its agreement. With respect to counterparty net asset positions recognized at fiscal year end 2017, we have assessed the likelihood of counterparty default as remote. We currently provide guarantees from a wholly-owned subsidiary to the counterparties to our commodity swap derivatives and exchange cash collateral with the counterparties to our cross-currency swap contracts. The likelihood of performance on the guarantees has been assessed as remote. For all other derivative financial instruments, we are not required to provide, nor do we require counterparties to provide, collateral or other security.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* , specifies a fair value hierarchy based upon the observable inputs utilized in valuation of certain assets and liabilities. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. Fair value measurements are classified under the following hierarchy:

- *Level 1*. Quoted prices in active markets for identical assets and liabilities.
- *Level 2*. Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

- *Level 3.* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flows methodologies, and similar techniques that use significant unobservable inputs.

Derivative financial instruments measured at fair value on a recurring basis are generally valued using level 2 inputs.

Financial instruments other than derivative instruments include cash and cash equivalents, accounts receivable, accounts payable, and debt. These instruments are recorded on the Consolidated Balance Sheets at book value. For cash and cash equivalents, accounts receivable, and accounts payable, we believe book value approximates fair value due to the short-term nature of these instruments. See Note 11 for disclosure of the fair value of debt. The following is a description of the valuation methodologies used for the respective financial instruments:

- *Cash and cash equivalents.* Cash and cash equivalents are valued at book value, which we consider to be equivalent to unadjusted quoted prices (level 1).

- *Accounts receivable.* Accounts receivable are valued based on the net value expected to be realized. The net realizable value generally represents an observable contractual agreement (level 2).

- *Accounts payable.* Accounts payable are valued based on the net value expected to be paid, generally supported by an observable contractual agreement (level 2).

- *Debt.* The fair value of debt, including both current and non-current maturities, is derived from quoted market prices or other pricing determinations based on the results of market approach valuation models using observable market data such as recently reported trades, bid and offer information, and benchmark securities (level 2).

Pension Liabilities

The funded status of our defined benefit pension plans is recognized on the Consolidated Balance Sheets and is measured as the difference between the fair value of plan assets and the projected benefit obligation at the measurement date. The projected benefit obligation represents the actuarial present value of benefits projected to be paid upon retirement factoring in estimated future compensation levels. The fair value of plan assets represents the current market value of cumulative company and participant contributions made to irrevocable trust funds, held for the sole benefit of participants, which are invested by the trustee of the funds. The benefits under our defined benefit pension plans are based on various factors, such as years of service and compensation.

Net periodic pension benefit cost is based on the utilization of the projected unit credit method of calculation and is charged to earnings on a systematic basis over the expected average remaining service lives of current participants.

The measurement of benefit obligations and net periodic benefit cost is based on estimates and assumptions determined by our management. These valuations reflect the terms of the plans and use participant-specific information such as compensation, age, and years of service, as well as certain assumptions, including estimates of discount rates, expected return on plan assets, rate of compensation increases, interest crediting rates, and mortality rates.

2. Summary of Significant Accounting Policies (Continued)

Share-Based Compensation

We determine the fair value of share awards on the date of grant. Share options are valued using the Black-Scholes-Merton valuation model; restricted share awards and performance awards are valued using our end-of-day share price on the date of grant. The fair value is expensed ratably over the expected service period, with an allowance made for estimated forfeitures based on historical employee activity. Estimates regarding the attainment of performance criteria are reviewed periodically; the cumulative impact of a change in estimate regarding the attainment of performance criteria is recorded in the period in which that change is made.

Earnings Per Share

Basic earnings per share is computed by dividing net income by the basic weighted-average number of common shares outstanding. Diluted earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding adjusted for the potentially dilutive impact of share-based compensation arrangements.

Currency Translation

For our non-U.S. dollar functional currency subsidiaries, assets and liabilities are translated into U.S. dollars using fiscal year end exchange rates. Sales and expenses are translated at average monthly exchange rates. Foreign currency translation gains and losses are included as a component of accumulated other comprehensive income (loss) within equity.

Gains and losses resulting from foreign currency transactions, which are included in earnings, were immaterial in fiscal 2017, 2016, and 2015.

Restructuring Charges

Restructuring activities involve employee-related termination costs, facility exit costs, and asset impairments resulting from reductions-in-force, migration of facilities or product lines from higher-cost to lower-cost countries, or consolidation of facilities within countries. We recognize termination costs based on requirements established by severance policy, government law, or previous actions. Facility exit costs generally reflect the cost to terminate a facility lease before the end of its term (measured at fair value at the time we cease using the facility) or costs that will continue to be incurred under the facility lease without future economic benefit to us. Restructuring activities often result in the disposal or abandonment of assets that require an acceleration of depreciation or impairment reflecting the excess of the assets' carrying values over fair value.

The recognition of restructuring costs require that we make certain judgments and estimates regarding the nature, timing, and amount of costs associated with the planned exit activity. To the extent our actual results differ from our estimates and assumptions, we may be required to revise the estimated liabilities, requiring the recognition of additional restructuring costs or the reduction of liabilities already recognized. At the end of each reporting period, we evaluate the remaining accrued balances to ensure these balances are properly stated and the utilization of the reserves are for their intended purpose in accordance with developed exit plans.

2. Summary of Significant Accounting Policies (Continued)

Acquisitions

We account for acquired businesses using the acquisition method of accounting. This method requires, among other things, that most assets acquired and liabilities assumed be recognized at fair value as of the acquisition date. We allocate the purchase price of acquired businesses to the tangible and intangible assets acquired and liabilities assumed based on estimated fair values, or as required by ASC 805, *Business Combinations* . The excess of the purchase price over the identifiable assets acquired and liabilities assumed is recorded as goodwill. We may engage independent third-party appraisal firms to assist us in determining the fair values of assets acquired and liabilities assumed. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets.

Contingent Liabilities

We record a loss contingency when the available information indicates it is probable that we have incurred a liability and the amount of the loss is reasonably estimable. When a range of possible losses with equal likelihood exists, we record the low end of the range. The likelihood of a loss with respect to a particular contingency is often difficult to predict, and determining a meaningful estimate of the loss or a range of loss may not be practicable based on information available. In addition, it is not uncommon for such matters to be resolved over many years, during which time relevant developments and new information must continuously be evaluated to determine whether a loss is probable and a reasonable estimate of that loss can be made. When a loss is probable but a reasonable estimate cannot be made, or when a loss is at least reasonably possible, disclosure is provided.

Recently Issued Accounting Pronouncements

In October 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-16, an update to ASC 740, *Income Taxes* . This new guidance requires the recognition of the income tax consequences of intra-entity transfers of assets other than inventory in the period in which the transfer occurs. The update, which we will adopt on a modified retrospective basis, is effective for us in the first quarter of fiscal 2019. Based on amounts recorded as of September 29, 2017, adoption would result in approximately a $120 million cumulative-effect adjustment to beginning accumulated earnings and a $120 million decrease in total assets, primarily in other assets. Future transactions prior to adoption of this update could significantly change the impact at adoption.

In February 2016, the FASB issued ASU No. 2016-02 which codified ASC 842, *Leases* . This guidance, which requires lessees to recognize a lease liability and a right-of-use asset for most leases, is effective for us in the first quarter of fiscal 2020. We will adopt the new standard using a modified retrospective transition approach which requires application of the new guidance for all periods presented. We are currently assessing the impact that adoption will have on our financial position.

In May 2014, the FASB issued ASU No. 2014-09 which codified ASC topic 606, *Revenue from Contracts with Customers* . This guidance supersedes ASC 605, *Revenue Recognition* , and introduces a single, comprehensive, five-step revenue recognition model. ASC 606 also enhances disclosures related to revenue recognition. ASC 606, as amended, is effective for us in the first quarter of fiscal 2019 and allows for either a full retrospective or a modified retrospective approach at adoption. We are continuing to assess the impact of adopting ASC 606. Based on the initial evaluation of our current

2. Summary of Significant Accounting Policies (Continued)

contracts and revenue streams, we do not expect that adoption will have a material impact on our results of operations or financial position and plan to adopt the new standard using the modified retrospective approach. We are in the process of identifying necessary changes to accounting policies, processes, financial statement disclosures, internal controls, and systems to enable compliance with this new standard. We believe we are following an appropriate timeline to allow for the proper recognition, reporting, and disclosure of revenue upon adoption of ASC 606 at the beginning of fiscal 2019.

Recently Adopted Accounting Pronouncements

In March 2016, the FASB issued ASU No. 2016-09, an update to ASC 718, *Compensation—Stock Compensation* , to simplify various aspects of accounting for share-based payments to employees. We elected to early adopt this update in fiscal 2017. The provisions of the update addressing the accounting for excess tax benefits and deficiencies were adopted using a modified retrospective transition approach, with a cumulative-effect adjustment to beginning accumulated earnings and a corresponding increase in deferred tax assets of $165 million. The provision of the update addressing the presentation on the statement of cash flows of employee taxes paid via the withholding of shares was applied retrospectively and did not have a material impact on our Consolidated Financial Statements. Adoption of other provisions, which were applied prospectively, also did not have a material impact on our Consolidated Financial Statements.

3. Restructuring and Other Charges, Net

Net restructuring and other charges consisted of the following:

	Fiscal		
	2017	2016	2015
		(in millions)	
Restructuring charges, net	$ 147	$ 125	$ 93
Gain on divestiture	—	(144)	—
Other charges, net	1	21	59
	$ 148	$ 2	$ 152

Restructuring Charges, Net

Net restructuring charges by segment were as follows:

	Fiscal		
	2017	2016	2015
		(in millions)	
Transportation Solutions	$ 67	$ 39	$ 6
Industrial Solutions	72	28	29
Communications Solutions	8	58	58
Restructuring charges, net	$ 147	$ 125	$ 93

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Restructuring and Other Charges, Net (Continued)

Activity in our restructuring reserves is summarized as follows:

	Balance at Beginning of Fiscal Year	Charges	Changes in Estimate	Cash Payments	Non-Cash Items	Currency Translation and Other	Balance at End of Fiscal Year
				(in millions)			
Fiscal 2017 Activity:							
Fiscal 2017 Actions:							
Employee severance	$ —	$ 143	$ (5)	$ (40)	$ —	$ 5	$ 103
Facility and other exit costs	—	2	—	(1)	—	—	1
Property, plant, and equipment	—	9	—	—	(9)	—	—
Total	—	154	(5)	(41)	(9)	5	104
Fiscal 2016 Actions:							
Employee severance	54	8	(9)	(27)	—	—	26
Facility and other exit costs	—	3	—	(3)	—	—	—
Total	54	11	(9)	(30)	—	—	26
Fiscal 2015 Actions:							
Employee severance	13	—	(2)	(4)	—	(1)	6
Pre-Fiscal 2015 Actions:							
Employee severance	12	—	(3)	(3)	—	(2)	4
Facility and other exit costs	12	1	—	(4)	—	—	9
Total	24	1	(3)	(7)	—	(2)	13
Total fiscal 2017 activity	$ 91	$ 166	$ (19)	$ (82)	$ (9)	$ 2	$ 149
Fiscal 2016 Activity:							
Fiscal 2016 Actions:							
Employee severance	$ —	$ 86	$ —	$ (32)	$ —	$ —	$ 54
Facility and other exit costs	—	3	—	(3)	—	—	—
Property, plant, and equipment	—	41	—	—	(41)	—	—
Total	—	130	—	(35)	(41)	—	54
Fiscal 2015 Actions:							
Employee severance	45	3	(4)	(31)	—	—	13
Facility and other exit costs	1	—	—	(1)	—	—	—
Total	46	3	(4)	(32)	—	—	13
Pre-Fiscal 2015 Actions:							
Employee severance	24	—	(6)	(8)	—	2	12
Facility and other exit costs	14	2	—	(4)	—	—	12
Total	38	2	(6)	(12)	—	2	24
Total fiscal 2016 activity	$ 84	$ 135	$ (10)	$ (79)	$ (41)	$ 2	$ 91

3. Restructuring and Other Charges, Net (Continued)

	Balance at Beginning of Fiscal Year	Charges	Changes in Estimate	Cash Payments (in millions)	Non-Cash Items	Currency Translation and Other	Balance at End of Fiscal Year
Fiscal 2015 Activity:							
Fiscal 2015 Actions:							
Employee severance	$ —	$ 68	$ —	$ (23)	$ —	$ —	$ 45
Facility and other exit costs	—	3	—	(2)	—	—	1
Property, plant, and equipment	—	21	—	—	(21)	—	—
Total	—	92	—	(25)	(21)	—	46
Pre-Fiscal 2015 Actions:							
Employee severance	91	2	(4)	(54)	—	(11)	24
Facility and other exit costs	23	3	—	(13)	—	1	14
Total	114	5	(4)	(67)	—	(10)	38
Total fiscal 2015 activity	$ 114	$ 97	$ (4)	$ (92)	$ (21)	$ (10)	$ 84

Fiscal 2017 Actions

During fiscal 2017, we initiated a restructuring program associated with footprint consolidation related to recent acquisitions and structural improvements impacting all segments. In connection with this program, during fiscal 2017, we recorded net restructuring charges of $149 million. We expect to complete all restructuring actions commenced during fiscal 2017 by the end of fiscal 2019 and to incur total charges of approximately $160 million with remaining charges primarily related to employee severance.

The following table summarizes expected, incurred, and remaining charges for the fiscal 2017 program by segment:

	Total Expected Charges	Cumulative Charges Incurred (in millions)	Remaining Expected Charges
Transportation Solutions	$ 75	$ 72	$ 3
Industrial Solutions	77	75	2
Communications Solutions	8	2	6
Total	$ 160	$ 149	$ 11

Fiscal 2016 Actions

During fiscal 2016, we initiated a restructuring program associated with headcount reductions impacting all segments and product line closures in the Communications Solutions segment. In connection with this program, during fiscal 2017 and 2016, we recorded net restructuring charges of $2 million and $130 million, respectively. We expect to complete all restructuring actions commenced during fiscal 2016 by the end of fiscal 2019 and to incur total charges of approximately $155 million with remaining charges related primarily to employee severance.

3. Restructuring and Other Charges, Net (Continued)

The following table summarizes expected, incurred, and remaining charges for the fiscal 2016 program by segment:

	Total Expected Charges	Cumulative Charges Incurred	Remaining Expected Charges
		(in millions)	
Transportation Solutions	$ 38	$ 37	$ 1
Industrial Solutions	28	28	—
Communications Solutions	89	67	22
Total	$ 155	$ 132	$ 23

Fiscal 2015 Actions

During fiscal 2015, we initiated a restructuring program associated with headcount reductions and product line closures, primarily impacting the Communications Solutions and Industrial Solutions segments. In connection with this program, during fiscal 2017, 2016, and 2015, we recorded net restructuring credits of $2 million, credits of $1 million, and charges of $92 million, respectively. We do not expect to incur any additional charges related to restructuring programs commenced in fiscal 2015.

Pre-Fiscal 2015 Actions

During fiscal 2017, 2016, and 2015, we recorded net restructuring credits of $2 million, credits of $4 million, and charges of $1 million, respectively, related to pre-fiscal 2015 actions. We do not expect to incur any additional charges related to pre-fiscal 2015 actions.

Total Restructuring Reserves

Restructuring reserves included on the Consolidated Balance Sheets were as follows:

	Fiscal Year End	
	2017	2016
	(in millions)	
Accrued and other current liabilities	$ 130	$ 64
Other liabilities	19	27
Restructuring reserves	$ 149	$ 91

Gain on Divestiture

During fiscal 2016, we sold our Circuit Protection Devices ("CPD") business for net cash proceeds of $333 million. We recognized a pre-tax gain of $144 million on the transaction. The CPD business was reported in our Communications Solutions segment.

Other Charges, Net

During fiscal 2016, we incurred costs of $21 million, associated primarily with the divestiture of certain businesses.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Restructuring and Other Charges, Net (Continued)

During fiscal 2015, we incurred costs of $59 million, consisting primarily of $36 million of legal and professional fees and $18 million of charges associated with the exit of a facility. These costs were incurred in connection with the sale of our Broadband Network Solutions ("BNS") business but were not directly related to the business sold and accordingly were recorded in continuing operations. See Note 4 for additional information regarding the divestiture of BNS.

4. Discontinued Operations

The following table presents certain components of income from discontinued operations, net of income taxes:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
Net sales from discontinued operations	$ —	$ —	$ 1,595
Pre-tax income from discontinued operations	$ 3	$ 30	$ 118
Pre-tax gain on sale of discontinued operations	3	29	1,105
Income tax (expense) benefit	4	9	(41)
Income from discontinued operations, net of income taxes	$ 10	$ 68	$ 1,182

During fiscal 2015, we sold our BNS business for $3.0 billion in cash and recognized a pre-tax gain of $1.1 billion on the transaction. In the U.S., income taxes associated with the gain on the sale of assets were largely offset by income tax benefits realized on the sale of several subsidiaries. In certain non-U.S. jurisdictions, the sale was exempt from income taxes. During fiscal 2016, we recognized an additional pre-tax gain of $29 million on the divestiture, related primarily to pension and net working capital adjustments.

In fiscal 2006, the former shareholders of Com-Net initiated a lawsuit related to our fiscal 2001 acquisition of Com-Net. In October 2015, the Court of Common Pleas in Allegheny County, Pennsylvania entered final judgment in favor of the sellers and against us for $127 million plus costs. Consequently, we recorded a reserve and pre-tax charges of $127 million during fiscal 2015. During fiscal 2016, we settled all matters in dispute and paid the sellers an aggregate amount of $96 million. In connection with the settlements, we recorded pre-tax credits of $30 million, representing a release of excess reserves, during fiscal 2016. These amounts were reflected in income from discontinued operations on the Consolidated Statements of Operations as the Com-Net case was associated with our former Wireless Systems business which was sold in fiscal 2009.

The BNS and Wireless Systems businesses met the discontinued operations criteria and were reported as such in all periods presented on the Consolidated Financial Statements. Prior to reclassification to discontinued operations, the BNS and Wireless Systems businesses were included in the former Network Solutions and Wireless Systems segments, respectively.

5. Acquisitions

Fiscal 2017 Acquisitions

During fiscal 2017, we acquired two businesses for a combined cash purchase price of $250 million, net of cash acquired. The acquisitions were reported as part of our Transportation Solutions and Industrial Solutions segments from the date of acquisition.

Fiscal 2016 Acquisitions

In fiscal 2016, we acquired four businesses, including the Creganna Medical group, for a combined cash purchase price of $1.3 billion, net of cash acquired. The acquisitions were reported as part of our Industrial Solutions and Transportation Solutions segments from the date of acquisition.

The following table summarizes the allocation of the purchase price to the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition, in accordance with the acquisition method of accounting:

	(in millions)
Cash and cash equivalents	$ 77
Other current assets	97
Goodwill	802
Intangible assets	530
Other non-current assets	73
Total assets acquired	1,579
Current liabilities	46
Deferred income taxes	100
Other non-current liabilities	20
Total liabilities assumed	166
Net assets acquired	1,413
Cash and cash equivalents acquired	(77)
Net cash paid	$ 1,336

The fair values assigned to intangible assets were determined using the income approach, specifically the relief from royalty and the multi-period excess earnings methods. Both valuation methods rely on management judgment, including expected future cash flows resulting from existing customer relationships, customer attrition rates, contributory effects of other assets utilized in the business, peer group cost of capital and royalty rates, and other factors. Useful lives for intangible assets were determined based upon the remaining useful economic lives of the intangible assets that are expected to contribute directly or indirectly to future cash flows.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Acquisitions (Continued)

Acquired intangible assets consisted of the following:

	Amount (in millions)	Weighted-Average Amortization Period (in years)
Customer relationships	$ 300	18
Developed technology	170	11
Trade names and trademarks	45	25
Customer order backlog	15	3
Total	$ 530	16

The acquired intangible assets are being amortized on a straight-line basis over their expected useful lives.

Goodwill of $802 million was recognized in these transactions, representing the excess of the purchase price over the fair value of the tangible and intangible assets acquired and liabilities assumed. This goodwill is attributable primarily to cost savings and other synergies related to operational efficiencies including the consolidation of manufacturing, marketing, and general and administrative functions. The goodwill has been allocated to the Industrial Solutions and Transportation Solutions segments and is not deductible for tax purposes. However, prior to being acquired by us, one of the fiscal 2016 acquisitions completed certain acquisitions that resulted in goodwill with an estimated value of $15 million that is deductible primarily for U.S. tax purposes, which we will deduct through 2025.

Fiscal 2016 acquisitions contributed net sales of $167 million and operating income of $8 million to our Consolidated Statement of Operations during fiscal 2016. The operating income included $10 million of acquisition costs, $7 million associated with the amortization of acquisition-related fair value adjustments related to acquired inventories and customer order backlog, and $2 million of integration costs.

Fiscal 2015 Acquisitions

In October 2014, we acquired 100% of the outstanding shares of Measurement Specialties, Inc. ("Measurement Specialties"), a leading global designer and manufacturer of sensors and sensor-based systems, for $86.00 in cash per share. The total value paid was approximately $1.7 billion, net of cash acquired, and included $225 million for the repayment of Measurement Specialties' debt and accrued interest. Measurement Specialties offers a broad portfolio of technologies including pressure, vibration, force, temperature, humidity, ultrasonic, position, and fluid sensors, for a wide range of applications and industries. This business has been reported as part of our Transportation Solutions segment from the date of acquisition.

5. Acquisitions (Continued)

The following table summarizes the allocation of the purchase price to the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition, in accordance with the acquisition method of accounting:

	(in millions)
Cash and cash equivalents	$ 37
Accounts receivable	84
Inventories	110
Other current assets	20
Property, plant, and equipment	95
Goodwill	1,064
Intangible assets	547
Other non-current assets	9
Total assets acquired	1,966
Short-term debt	20
Accounts payable	48
Other current liabilities	67
Long-term debt	203
Deferred income taxes	98
Other non-current liabilities	9
Total liabilities assumed	445
Net assets acquired	1,521
Cash and cash equivalents acquired	(37)
Net cash paid	$ 1,484

The fair values assigned to intangible assets were determined using the income approach, specifically the relief from royalty and the multi-period excess earnings methods. The valuation of tangible assets was derived using a combination of the income, market, and cost approaches. Useful lives for intangible assets were determined based upon the remaining useful economic lives of the intangible assets that are expected to contribute directly or indirectly to future cash flows.

Acquired intangible assets consisted of the following:

	Amount (in millions)	Weighted-Average Amortization Period (in years)
Customer relationships	$ 370	18
Developed technology	161	9
Trade names and trademarks	4	1
Customer order backlog	12	< 1
Total	$ 547	15

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Acquisitions (Continued)

The acquired intangible assets are being amortized on a straight-line basis over their expected useful lives.

Goodwill of $1,064 million was recognized in the transaction, representing the excess of the purchase price over the fair value of the tangible and intangible assets acquired and liabilities assumed. This goodwill is attributable primarily to cost savings and other synergies related to operational efficiencies including the consolidation of manufacturing, marketing, and general and administrative functions. The goodwill has been allocated to the Transportation Solutions segment and is not deductible for tax purposes. However, prior to its merger with us, Measurement Specialties completed certain acquisitions that resulted in goodwill with an estimated value of $23 million that is deductible primarily for U.S. tax purposes, which we will deduct through 2030.

During fiscal 2015, Measurement Specialties contributed net sales of $548 million to our Consolidated Statement of Operations. Due to the commingled nature of our operations, it is not practicable to separately identify operating income of Measurement Specialties on a stand-alone basis.

During fiscal 2015, we acquired three additional businesses for $241 million in cash, net of cash acquired.

Pro Forma Financial Information

The following unaudited pro forma financial information reflects our consolidated results of operations had the fiscal 2016 acquisitions occurred at the beginning of fiscal 2015 and the Measurement Specialties acquisition occurred at the beginning of fiscal 2014:

	Pro Forma for Fiscal	
	2016	2015
	(in millions, except per share data)	
Net sales	$ 12,471	$ 12,613
Net income	2,038	2,448
Diluted earnings per share	$ 5.52	$ 5.96

The pro forma adjustments, which were not significant, included interest expense based on pro forma changes in our combined capital structure, charges related to acquired customer order backlog, charges related to the amortization of the fair value of acquired intangible assets, charges related to the fair value adjustment to acquisition-date inventories, and acquisition and other costs, and the related tax effects.

Pro forma results do not include any anticipated synergies or other anticipated benefits of these acquisitions. Accordingly, the unaudited pro forma financial information is not necessarily indicative of either future results of operations or results that might have been achieved had these acquisitions occurred at the beginning of the preceding fiscal years.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Inventories

Inventories consisted of the following:

	Fiscal Year End 2017	Fiscal Year End 2016
	(in millions)	
Raw materials	$ 306	$ 241
Work in progress	580	504
Finished goods	810	669
Inventoried costs on long-term contracts	117	182
Inventories	$ 1,813	$ 1,596

7. Property, Plant, and Equipment, Net

Net property, plant, and equipment consisted of the following:

	Fiscal Year End 2017	Fiscal Year End 2016
	(in millions)	
Land and improvements	$ 178	$ 159
Buildings and improvements	1,399	1,272
Machinery and equipment	7,306	6,890
Construction in process	697	567
Gross property, plant, and equipment	9,580	8,888
Accumulated depreciation	(6,180)	(5,836)
Property, plant, and equipment, net	$ 3,400	$ 3,052

Depreciation expense was $466 million, $436 million, and $463 million in fiscal 2017, 2016, and 2015, respectively.

8. Goodwill

The changes in the carrying amount of goodwill by segment were as follows:

	Transportation Solutions	Industrial Solutions	Communications Solutions	Total
		(in millions)		
Fiscal year end 2015 (1)	$ 1,863	$ 2,253	$ 708	$ 4,824
Acquisitions	60	776	—	836
Divestiture of business	—	—	(117)	(117)
Currency translation	(20)	(24)	(7)	(51)
Fiscal year end 2016 (1)	1,903	3,005	584	5,492
Acquisitions	82	14	—	96
Currency translation	26	28	9	63
Fiscal year end 2017 (1)	$ 2,011	$ 3,047	$ 593	$ 5,651

(1) At fiscal year end 2017, 2016, and 2015, accumulated impairment losses for the Transportation Solutions and Industrial Solutions segments were $2,191 million and $669 million, respectively. Accumulated impairment

8. Goodwill (Continued)

losses for the Communications Solutions segment were $1,514 million at fiscal year end 2017 and 2016 and $1,626 million at fiscal year end 2015.

During fiscal 2017, we acquired two businesses and recognized goodwill of $130 million, which benefitted the Transportation Solutions and Industrial Solutions segments. During fiscal 2016, we acquired four businesses and recognized goodwill of $836 million, which benefited the Industrial Solutions and Transportation Solutions segments. In fiscal 2017, we finalized the purchase price allocation of our fiscal 2016 acquisitions, and the associated goodwill was reduced to $802 million. This reduction, which was primarily within the Industrial Solutions segment, is reflected in fiscal 2017 acquisitions in the above table. See Note 5 for additional information regarding acquisitions.

During fiscal 2016, net goodwill of $117 million was written-off in connection with the sale of our CPD business. See Note 3 for additional information regarding the divestiture of CPD.

We completed our annual goodwill impairment test in the fourth quarter of fiscal 2017 and determined that no impairment existed.

9. Intangible Assets, Net

Intangible assets consisted of the following:

	Fiscal Year End					
	2017			2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in millions)					
Customer relationships	$ 1,433	$ (300)	$ 1,133	$ 1,332	$ (212)	$ 1,120
Intellectual property	1,263	(575)	688	1,300	(563)	737
Other	36	(16)	20	36	(14)	22
Total	$ 2,732	$ (891)	$ 1,841	$ 2,668	$ (789)	$ 1,879

Intangible asset amortization expense was $169 million, $149 million, and $153 million for fiscal 2017, 2016, and 2015, respectively. The aggregate amortization expense on intangible assets is expected to be as follows:

	(in millions)
Fiscal 2018	$ 184
Fiscal 2019	181
Fiscal 2020	174
Fiscal 2021	171
Fiscal 2022	170
Thereafter	961
Total	$ 1,841

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following:

	Fiscal Year End	
	2017	2016
	(in millions)	
Accrued payroll and employee benefits	$ 596	$ 431
Dividends payable to shareholders	281	263
Income taxes payable	121	149
Restructuring reserves	130	64
Interest payable	58	56
Other	440	474
Accrued and other current liabilities	$ 1,626	$ 1,437

11. Debt

Debt was as follows:

	Fiscal Year End	
	2017	2016
	(in millions)	
Commercial paper, at a weighted-average interest rate of 0.69% at fiscal year end 2016	$ —	$ 330
6.55% senior notes due 2017	708	708
2.375% senior notes due 2018	325	325
2.35% senior notes due 2019	250	250
4.875% senior notes due 2021	250	250
3.50% senior notes due 2022	500	500
1.10% euro-denominated senior notes due 2023	650	618
3.45% senior notes due 2024	350	250
3.70% senior notes due 2026	350	350
3.125% senior notes due 2027	400	—
7.125% senior notes due 2037	477	477
Other	96	3
Total principal debt	4,356	4,061
Unamortized discounts and debt issuance costs	(26)	(26)
Effects of fair value hedge-designated interest rate swaps	14	35
Total debt	$ 4,344	$ 4,070

During August 2017, Tyco Electronics Group S.A. ("TEGSA"), our 100%-owned subsidiary, issued $400 million aggregate principal amount of 3.125% senior notes due August 2027 and $100 million aggregate principal amount of 3.45% senior notes due August 2024. The 3.45% senior notes were issued under an existing indenture under which TEGSA had previously issued $250 million aggregate principal amount. The notes are TEGSA's unsecured senior obligations and rank equally in right of payment with all existing and any future senior indebtedness of TEGSA and senior to any subordinated indebtedness that TEGSA may incur.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Debt (Continued)

TEGSA has a five-year unsecured senior revolving credit facility ("Credit Facility") with a maturity date of December 2020 and total commitments of $1,500 million. TEGSA had no borrowings under the Credit Facility at fiscal year end 2017 or 2016.

Borrowings under the Credit Facility bear interest at a rate per annum equal to, at the option of TEGSA, (1) LIBOR plus an applicable margin based upon the senior, unsecured, long-term debt rating of TEGSA, or (2) an alternate base rate equal to the highest of (i) Bank of America, N.A.'s base rate, (ii) the federal funds effective rate plus $^{1}/_{2}$ of 1%, and (iii) one-month LIBOR plus 1%, plus, in each case, an applicable margin based upon the senior, unsecured, long-term debt rating of TEGSA. TEGSA is required to pay an annual facility fee ranging from 5.0 to 12.5 basis points based upon the amount of the lenders' commitments under the Credit Facility and the applicable credit ratings of TEGSA.

The Credit Facility contains a financial ratio covenant providing that if, as of the last day of each fiscal quarter, our ratio of Consolidated Total Debt to Consolidated EBITDA (as defined in the Credit Facility) for the then most recently concluded period of four consecutive fiscal quarters exceeds 3.75 to 1.0, an Event of Default (as defined in the Credit Facility) is triggered. The Credit Facility and our other debt agreements contain other customary covenants.

Periodically, TEGSA issues commercial paper to U.S. institutional accredited investors and qualified institutional buyers in accordance with available exemptions from the registration requirements of the Securities Act of 1933 as part of our ongoing effort to maintain financial flexibility and to potentially decrease the cost of borrowings. Borrowings under the commercial paper program are backed by the Credit Facility.

TEGSA's payment obligations under its senior notes, commercial paper, and Credit Facility are fully and unconditionally guaranteed by its parent, TE Connectivity Ltd.

Principal payments required for debt are as follows:

	(in millions)
Fiscal 2018	$ 710
Fiscal 2019	580
Fiscal 2020	—
Fiscal 2021	250
Fiscal 2022	500
Thereafter	2,316
Total	$ 4,356

The fair value of our debt, based on indicative valuations, was approximately $4,622 million and $4,424 million at fiscal year end 2017 and 2016, respectively.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Commitments and Contingencies

Legal Proceedings

In the normal course of business, we are subject to various legal proceedings and claims, including patent infringement claims, product liability matters, employment disputes, disputes on agreements, other commercial disputes, environmental matters, antitrust claims, and tax matters, including non-income tax matters such as value added tax, sales and use tax, real estate tax, and transfer tax. Although it is not feasible to predict the outcome of these proceedings, based upon our experience, current information, and applicable law, we do not expect that the outcome of these proceedings, either individually or in the aggregate, will have a material effect on our results of operations, financial position, or cash flows.

Environmental Matters

We are involved in various stages of investigation and cleanup related to environmental remediation matters at a number of sites. The ultimate cost of site cleanup is difficult to predict given the uncertainties regarding the extent of the required cleanup, the interpretation of applicable laws and regulations, and alternative cleanup methods. As of fiscal year end 2017, we concluded that it was probable that we would incur investigation and remediation costs at these sites in the range of $15 million to $43 million, and that the best estimate within this range was $19 million. We believe that any potential payment of such estimated amounts will not have a material adverse effect on our results of operations, financial position, or cash flows.

Leases

We have facility, land, vehicle, and equipment leases that expire at various dates. Rental expense under these operating leases was $153 million, $143 million, and $141 million for fiscal 2017, 2016, and 2015, respectively. At fiscal year end 2017, future minimum lease payments under non-cancelable operating lease obligations were as follows:

	(in millions)
Fiscal 2018	$ 110
Fiscal 2019	85
Fiscal 2020	62
Fiscal 2021	51
Fiscal 2022	42
Thereafter	104
Total	$ 454

Guarantees

In disposing of assets or businesses, we often provide representations, warranties, and/or indemnities to cover various risks including unknown damage to assets, environmental risks involved in the sale of real estate, liability for investigation and remediation of environmental contamination at waste disposal sites and manufacturing facilities, and unidentified tax liabilities and legal fees related to periods prior to disposition. We do not expect that these uncertainties will have a material adverse effect on our results of operations, financial position, or cash flows.

12. Commitments and Contingencies (Continued)

At fiscal year end 2017, we had outstanding letters of credit, letters of guarantee, and surety bonds of $298 million.

We generally record estimated product warranty costs when contract revenues are recognized under the percentage-of-completion method for construction related contracts; other warranty reserves are not significant. The estimation is based primarily on historical experience and actual warranty claims. Amounts accrued for warranty claims were $50 million and $48 million at fiscal year end 2017 and 2016, respectively.

Tax Sharing Agreement

In fiscal 2007, we became an independent, publicly traded company owning the former electronics businesses of Tyco International plc ("Tyco International"). On June 29, 2007, Tyco International distributed all of our shares, as well as its shares of its former healthcare businesses ("Covidien"), to its common shareholders (the "separation"). As a result of subsequent transactions, Tyco International and Covidien now operate as part of Johnson Controls International plc and Medtronic plc, respectively.

Upon separation, we entered into a Tax Sharing Agreement, under which we share responsibility for certain of our, Tyco International's, and Covidien's income tax liabilities based on a sharing formula for periods prior to and including June 29, 2007. We, Tyco International, and Covidien share 31%, 27%, and 42%, respectively, of income tax liabilities that arise from adjustments made by tax authorities to our, Tyco International's, and Covidien's income tax returns. Pursuant to the Tax Sharing Agreement, we entered into certain guarantee commitments and indemnifications with Tyco International and Covidien. We have substantially settled all U.S. federal income tax matters with the Internal Revenue Service ("IRS") for periods covered under the Tax Sharing Agreement. Certain shared U.S. state and non-U.S. income tax matters remain open. We do not expect these matters will have a material effect on our results of operations, financial position, or cash flows.

13. Financial Instruments and Fair Value Measurements

We use derivative and non-derivative financial instruments to manage certain exposures to foreign currency, interest rate, investment, and commodity risks.

The effects of derivative instruments on the Consolidated Statements of Operations were immaterial for fiscal 2017, 2016, and 2015.

Foreign Exchange Risks and Hedges of Net Investment

As part of managing the exposure to changes in foreign currency exchange rates, we utilize cross-currency swap contracts, foreign currency forward contracts, and foreign currency swap contracts, a portion of which are designated as cash flow hedges. The objective of these contracts is to minimize impacts to cash flows and profitability due to changes in foreign currency exchange rates on intercompany and other cash transactions. We expect that significantly all of the balance in accumulated other comprehensive income (loss) associated with the cash flow hedge-designated instruments addressing foreign exchange risks will be reclassified into the Consolidated Statement of Operations within the next twelve months.

During fiscal 2015, we entered into cross-currency swap contracts with an aggregate notional value of €1,000 million to reduce our exposure to foreign currency exchange risk associated with certain

13. Financial Instruments and Fair Value Measurements (Continued)

intercompany loans. Under the terms of these contracts, which have been designated as cash flow hedges, we make quarterly interest payments in euros at 3.50% per annum and receive interest in U.S. dollars at a weighted-average rate of 5.33% per annum. Upon the maturities of these contracts in fiscal 2022, we will pay the principal amount of the loans in euros and receive U.S. dollars from our counterparties.

We hedge our net investment in certain foreign operations using intercompany non-derivative financial instruments denominated in the same currencies. The aggregate notional value of these hedges was $3,110 million and $3,480 million at fiscal year end 2017 and 2016, respectively. The impacts of our hedging program were as follows:

	Fiscal		
	2017	2016	2015
		(in millions)	
Foreign exchange gains (losses)	$ (74)	$ (45)	$ 353

These foreign exchange gains and losses were recorded as currency translation, a component of accumulated other comprehensive income (loss), offsetting foreign exchange losses and gains attributable to the translation of the net investment. See Note 19 for additional information.

Interest Rate and Investment Risk Management

We issue debt, as needed, to fund our operations and capital requirements. Such borrowings can result in interest rate exposure. To manage the interest rate exposure, we use interest rate swaps to convert a portion of fixed-rate debt into variable-rate debt. We use forward starting interest rate swaps and options to enter into interest rate swaps to manage interest rate exposure in periods prior to the anticipated issuance of fixed-rate debt. We also utilize investment swaps to manage earnings exposure on certain nonqualified deferred compensation liabilities.

Commodity Hedges

As part of managing the exposure to certain commodity price fluctuations, we utilize commodity swap contracts designated as cash flow hedges. The objective of these contracts is to minimize impacts to cash flows and profitability due to changes in prices of commodities used in production.

At fiscal year end 2017 and 2016, our commodity hedges had notional values of $314 million and $232 million, respectively. We expect that significantly all of the balance in accumulated other comprehensive income (loss) associated with the commodity hedges will be reclassified into the Consolidated Statement of Operations within the next twelve months.

Fair Value Measurements

Financial instruments recorded at fair value on a recurring basis, which consist of derivative instruments and marketable securities, were immaterial at fiscal year end 2017 and 2016.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Retirement Plans

Defined Benefit Pension Plans

We have a number of contributory and noncontributory defined benefit retirement plans covering certain of our U.S. and non-U.S. employees, designed in accordance with local customs and practice.

The net periodic pension benefit cost for all U.S. and non-U.S. defined benefit pension plans was as follows:

	U.S. Plans			Non-U.S. Plans		
	Fiscal			Fiscal		
	2017	2016	2015	2017	2016	2015
	($ in millions)					
Service cost	$ 12	$ 9	$ 9	$ 50	$ 48	$ 45
Interest cost	43	50	48	35	52	58
Expected return on plan assets	(53)	(59)	(67)	(68)	(68)	(72)
Amortization of net actuarial loss	40	40	25	41	36	33
Other	—	—	—	(4)	(6)	(5)
Net periodic pension benefit cost	$ 42	$ 40	$ 15	$ 54	$ 62	$ 59
Weighted-average assumptions used to determine net pension benefit cost during the fiscal year:						
Discount rate	3.58%	4.38%	4.34%	1.44%	2.50%	2.77%
Expected return on plan assets	5.93%	6.97%	7.20%	5.21%	5.98%	6.46%
Rate of compensation increase	—%	—%	—%	2.52%	2.81%	2.86%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Retirement Plans (Continued)

The following table represents the changes in benefit obligation and plan assets and the net amount recognized on the Consolidated Balance Sheets for all U.S. and non-U.S. defined benefit pension plans:

	U.S. Plans Fiscal		Non-U.S. Plans Fiscal	
	2017	2016	2017	2016
	($ in millions)			
Change in benefit obligation:				
Benefit obligation at beginning of fiscal year	$ 1,250	$ 1,170	$ 2,535	$ 2,188
Service cost	12	9	50	48
Interest cost	43	50	35	52
Actuarial loss	(34)	102	(301)	368
Benefits and administrative expenses paid	(82)	(81)	(69)	(85)
Currency translation	—	—	29	(63)
Other	2	—	13	27
Benefit obligation at end of fiscal year	1,191	1,250	2,292	2,535
Change in plan assets:				
Fair value of plan assets at beginning of fiscal year	929	879	1,371	1,167
Actual return on plan assets	115	130	49	261
Employer contributions	1	1	47	66
Benefits and administrative expenses paid	(82)	(81)	(69)	(85)
Currency translation	—	—	(2)	(59)
Other	—	—	6	21
Fair value of plan assets at end of fiscal year	963	929	1,402	1,371
Funded status	$ (228)	$ (321)	$ (890)	$ (1,164)
Amounts recognized on the Consolidated Balance Sheets:				
Other assets	$ —	$ —	$ 50	$ —
Accrued and other current liabilities	(5)	(5)	(22)	(20)
Long-term pension and postretirement liabilities	(223)	(316)	(918)	(1,144)
Net amount recognized	$ (228)	$ (321)	$ (890)	$ (1,164)
Weighted-average assumptions used to determine pension benefit obligation at fiscal year end:				
Discount rate	3.77%	3.58%	1.87%	1.44%
Rate of compensation increase	—%	—%	2.53%	2.52%

14. Retirement Plans (Continued)

The pre-tax amounts recognized in accumulated other comprehensive income (loss) for all U.S. and non-U.S. defined benefit pension plans were as follows:

	U.S. Plans Fiscal		Non-U.S. Plans Fiscal	
	2017	2016	2017	2016
	(in millions)			
Change in net loss:				
Unrecognized net loss at beginning of fiscal year	$ 428	$ 436	$ 839	$ 711
Current year change recorded in accumulated other comprehensive income (loss)	(96)	32	(285)	164
Amortization reclassified to earnings	(40)	(40)	(41)	(36)
Unrecognized net loss at end of fiscal year	$ 292	$ 428	$ 513	$ 839
Change in prior service credit:				
Unrecognized prior service credit at beginning of fiscal year	$ —	$ —	$ (70)	$ (66)
Current year change recorded in accumulated other comprehensive income (loss)	2	—	5	(10)
Amortization reclassified to earnings [1]	—	—	6	6
Unrecognized prior service credit at end of fiscal year	$ 2	$ —	$ (59)	$ (70)

(1) Amortization of prior service credit is included in other in the above table summarizing the components of net periodic pension benefit cost.

In fiscal 2017, unrecognized actuarial gains recorded in accumulated other comprehensive income (loss) were primarily the result of higher discount rates and favorable asset performance for both U.S. and non-U.S. defined benefit pension plans as compared to fiscal 2016. In fiscal 2016, unrecognized actuarial losses recorded in accumulated other comprehensive income (loss) were primarily the result of lower discount rates partially offset by favorable asset performance for both U.S. and non-U.S. defined benefit pension plans as compared to fiscal 2015.

The estimated amortization of actuarial losses from accumulated other comprehensive income (loss) into net periodic pension benefit cost for U.S. and non-U.S. defined benefit pension plans in fiscal 2018 is expected to be $22 million and $24 million, respectively. The estimated amortization of prior service credit from accumulated other comprehensive income (loss) into net periodic pension benefit cost for non-U.S. defined benefit pension plans in fiscal 2018 is expected to be $6 million.

In determining the expected return on plan assets, we consider the relative weighting of plan assets by class and individual asset class performance expectations.

The investment strategies for U.S. and non-U.S. pension plans are governed locally. Our investment strategy for our pension plans is to manage the plans on a going concern basis. Current investment policy is to achieve a reasonable return on assets, subject to a prudent level of portfolio risk, for the purpose of enhancing the security of benefits for participants. Projected returns are based primarily on pro forma asset allocation, expected long-term returns, and forward-looking estimates of active portfolio and investment management.

14. Retirement Plans (Continued)

The long-term target asset allocation in our U.S. plans' master trust is 10% equity and 90% fixed income. Asset re-allocation to meet that target is occurring over a multi-year period based on the funded status. We expect to reach our target allocation when the funded status of the plans exceeds 105%. Based on the funded status of the plans as of fiscal year end 2017, our target asset allocation is 45% equity and 55% fixed income.

Target weighted-average asset allocation and weighted-average asset allocation for U.S. and non-U.S. pension plans were as follows:

	U.S. Plans			Non-U.S. Plans		
	Target	Fiscal Year End 2017	Fiscal Year End 2016	Target	Fiscal Year End 2017	Fiscal Year End 2016
Asset category:						
Equity securities	45%	50%	45%	27%	30%	41%
Fixed income	55	50	55	52	49	33
Insurance contracts and other investments	—	—	—	19	19	24
Real estate investments	—	—	—	2	2	2
Total	100%	100%	100%	100%	100%	100%

Our common shares are not a direct investment of our pension funds; however, the pension funds may indirectly include our shares. The aggregate amount of our common shares would not be considered material relative to the total pension fund assets.

Our funding policy is to make contributions in accordance with the laws and customs of the various countries in which we operate as well as to make discretionary voluntary contributions from time to time. We expect to make the minimum required contributions of $6 million and $56 million to our U.S. and non-U.S. pension plans, respectively, in fiscal 2018. We may also make voluntary contributions at our discretion.

Benefit payments, which reflect future expected service, as appropriate, are expected to be paid as follows:

	U.S. Plans	Non-U.S. Plans
	(in millions)	
Fiscal 2018	$ 75	$ 71
Fiscal 2019	71	76
Fiscal 2020	72	77
Fiscal 2021	73	79
Fiscal 2022	74	85
Fiscal 2023-2027	371	485

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Retirement Plans (Continued)

Presented below is the accumulated benefit obligation for all U.S. and non-U.S. pension plans as well as additional information related to plans with an accumulated benefit obligation in excess of plan assets and plans with a projected benefit obligation in excess of plan assets.

	U.S. Plans Fiscal Year End		Non-U.S. Plans Fiscal Year End	
	2017	2016	2017	2016
	(in millions)			
Accumulated benefit obligation	$ 1,191	$ 1,250	$ 2,167	$ 2,389
Pension plans with accumulated benefit obligations in excess of plan assets:				
Accumulated benefit obligation	1,191	1,250	1,402	2,380
Fair value of plan assets	963	929	581	1,361
Pension plans with projected benefit obligations in excess of plan assets:				
Projected benefit obligation	1,191	1,250	1,524	2,534
Fair value of plan assets	963	929	583	1,371

We value our pension assets based on the fair value hierarchy of ASC 820, *Fair Value Measurements and Disclosures* . Details of the fair value hierarchy are described in Note 2. The following table presents our defined benefit pension plans' asset categories and their associated fair value within the fair value hierarchy:

	Fiscal Year End 2017							
	U.S. Plans				Non-U.S. Plans			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(in millions)							
Equity:								
U.S. equity securities [1]	$ 250	$ —	$ —	$ 250	$ —	$ —	$ —	$ —
Non-U.S. equity securities [1]	227	—	—	227	—	—	—	—
Commingled equity funds [2]	—	—	—	—	—	418	—	418
Fixed income:								
Government bonds [3]	—	59	—	59	—	219	—	219
Corporate bonds [4]	—	351	—	351	—	8	—	8
Commingled bond funds [5]	—	48	—	48	—	455	—	455
Other [6]	—	16	—	16	—	180	117	297
Subtotal	$ 477	$ 474	$ —	951	$ —	$ 1,280	$ 117	1,397
Items to reconcile to fair value of plan assets [7]				12				5
Fair value of plan assets				$ 963				$ 1,402

14. Retirement Plans (Continued)

	Fiscal Year End 2016							
	U.S. Plans				Non-U.S. Plans			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(in millions)							
Equity:								
U.S. equity securities (1)	$ 248	$ —	$ —	$ 248	$ 64	$ —	$ —	$ 64
Non-U.S. equity securities (1)	190	—	—	190	62	—	—	62
Commingled equity funds (2)	—	—	—	—	—	456	—	456
Fixed income:								
Government bonds (3)	—	67	—	67	—	226	—	226
Corporate bonds (4)	—	397	—	397	—	13	—	13
Commingled bond funds (5)	—	—	—	—	—	262	—	262
Other (6)	—	11	—	11	—	177	91	268
Subtotal	$ 438	$ 475	$ —	913	$ 126	$ 1,134	$ 91	1,351
Items to reconcile to fair value of plan assets (7)				16				20
Fair value of plan assets				$ 929				$ 1,371

(1) U.S. and non-U.S. equity securities are valued at the closing price reported on the stock exchange on which the individual securities are traded.

(2) Commingled equity funds are pooled investments in multiple equity-type securities. Fair value is calculated as the closing price of the underlying investments, an observable market condition, divided by the number of shares of the fund outstanding.

(3) Government bonds are marked to fair value based on quoted market prices or market approach valuation models using observable market data such as quotes, spreads, and data points for yield curves.

(4) Corporate bonds are marked to fair value based on quoted market prices or market approach valuation models using observable market data such as quotes, spreads, and data points for yield curves.

(5) Commingled bond funds are pooled investments in multiple debt-type securities. Fair value is calculated as the closing price of the underlying investments, an observable market condition, divided by the number of shares of the fund outstanding.

(6) Other investments are composed of insurance contracts, derivatives, short-term investments, structured products such as collateralized obligations and mortgage- and asset-backed securities, real estate investments, and hedge funds. Insurance contracts are valued using cash surrender value, or face value of the contract if a cash surrender value is unavailable (level 2), as these values represent the amount that the plan would receive on termination of the underlying contract. Derivatives, short-term investments, and structured products are marked to fair value using models that are supported by observable market based data (level 2). Real estate investments include investments in commingled real estate funds and are valued at net asset value which is calculated using unobservable inputs that are supported by little or no market activity (level 3). Hedge funds are valued at their net asset value which is calculated using unobservable inputs that are supported by little or no market activity (level 3).

(7) Items to reconcile to fair value of plan assets include amounts receivable for securities sold, amounts payable for securities purchased, and any cash balances, considered to be carried at book value, that are held in the plans.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Retirement Plans (Continued)

Changes in Level 3 assets in non-U.S. plans were primarily the result of purchases in fiscal 2017 and 2016.

Defined Contribution Retirement Plans

We maintain several defined contribution retirement plans, the most significant of which is located in the U.S. These plans include 401(k) matching programs, as well as qualified and nonqualified profit sharing and share bonus retirement plans. Expense for the defined contribution plans is computed as a percentage of participants' compensation and was $68 million, $59 million, and $60 million for fiscal 2017, 2016, and 2015, respectively.

Deferred Compensation Plans

We maintain nonqualified deferred compensation plans, which permit eligible employees to defer a portion of their compensation. A record keeping account is set up for each participant and the participant chooses from a variety of measurement funds for the deemed investment of their accounts. The measurement funds correspond to a number of funds in our 401(k) plans and the account balance fluctuates with the investment returns on those funds. Total deferred compensation liabilities were $157 million and $132 million at fiscal year end 2017 and 2016, respectively. See Note 13 for additional information regarding our risk management strategy related to deferred compensation liabilities.

Postretirement Benefit Plans

In addition to providing pension and 401(k) benefits, we also provide certain health care coverage continuation for qualifying retirees from the date of retirement to age 65. The accumulated postretirement benefit obligation was $20 million and $45 million at fiscal year end 2017 and 2016, respectively, and the underfunded status of the postretirement benefit plans was included primarily in long-term pension and postretirement liabilities on the Consolidated Balance Sheets. The decrease in the accumulated postretirement benefit obligation during fiscal 2017 was primarily attributable to a plan curtailment that was recognized on the Consolidated Statement of Operations; activity during fiscal 2016 and 2015 was not significant.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Income Taxes

Income Tax Expense (Benefit)

Significant components of the income tax expense (benefit) were as follows:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
Current income tax expense (benefit):			
U.S.:			
Federal	$ (2)	$ (1,115)	$ (67)
State	9	(163)	12
Non-U.S.	323	321	352
	330	(957)	297
Deferred income tax expense (benefit):			
U.S.:			
Federal	(58)	173	87
State	(9)	20	5
Non-U.S.	(8)	(15)	(52)
	(75)	178	40
Income tax expense (benefit)	$ 255	$ (779)	$ 337

The U.S. and non-U.S. components of income from continuing operations before income taxes were as follows:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
U.S.	$ (75)	$ (115)	$ (31)
Non-U.S.	2,003	1,277	1,606
Income from continuing operations before income taxes	$ 1,928	$ 1,162	$ 1,575

15. Income Taxes (Continued)

The reconciliation between U.S. federal income taxes at the statutory rate and income tax expense (benefit) was as follows:

	Fiscal		
	2017	2016	2015
		(in millions)	
Notional U.S. federal income tax expense at the statutory rate	$ 675	$ 407	$ 551
Adjustments to reconcile to the income tax expense (benefit):			
U.S. state income tax expense (benefit), net	—	(93)	11
Other expense—Tax Sharing Agreement [1]	3	221	18
Tax law changes	7	(3)	10
Tax credits	(9)	(10)	(9)
Non-U.S. net earnings [2]	(355)	(342)	(275)
Change in accrued income tax liabilities	24	(1,056)	(183)
Valuation allowance	(1)	97	(3)
Legal entity restructuring and intercompany transactions	(40)	39	211
Divestitures	—	(31)	—
Excess tax benefits from share-based payments	(40)	—	—
Other	(9)	(8)	6
Income tax expense (benefit)	$ 255	$ (779)	$ 337

(1) Net other expense pursuant to the Tax Sharing Agreement with Tyco International and Covidien is not taxable or deductible.

(2) Excludes items which are separately presented.

The income tax expense for fiscal 2017 included a $52 million income tax benefit associated with the tax impacts of certain intercompany transactions and the corresponding reduction in the valuation allowance for U.S. tax loss carryforwards, a $40 million income tax benefit related to share-based payments and the adoption of ASU No. 2016-09, and a $14 million income tax benefit associated with pre-separation tax matters. See Note 2 for additional information regarding recently adopted accounting pronouncements.

The income tax benefit for fiscal 2016 included a $1,135 million income tax benefit related to the effective settlement of tax matters for the years 1997 through 2000 which resolved all aspects of the disputed debt matter with the IRS through the year 2007, partially offset by a $91 million income tax charge related to an increase to the valuation allowance for certain U.S. deferred tax assets. Additionally, the tax benefit for fiscal 2016 included an $83 million net income tax benefit related to tax settlements in certain other tax jurisdictions, partially offset by an income tax charge related to certain legal entity restructurings.

In fiscal 2016, the increase to the valuation allowance for deferred tax assets primarily related to certain U.S. federal and state tax loss and credit carryforwards. Based on our forecast of taxable income for certain U.S. tax reporting groups, U.S. tax loss and credit carryforwards finalized as a result of settlement of the disputed debt matter with the IRS, and certain tax planning actions and strategies, we believed it was more likely than not that a portion of our deferred tax assets would not be realized.

15. Income Taxes (Continued)

The income tax expense for fiscal 2015 included a $264 million income tax benefit related to the effective settlement of all undisputed tax matters for the years 2001 through 2010, partially offset by a $216 million income tax charge associated with the tax impacts of certain intercompany legal entity restructurings made in connection with our integration of Measurement Specialties. Also, income tax expense for fiscal 2015 included an income tax charge of $29 million associated with the tax impacts of certain intercompany dividends related to the restructuring and sale of our BNS business.

See "IRS Audits" below for additional information regarding settlements with the IRS.

Deferred Tax Assets and Liabilities

Deferred income taxes result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes. The components of the net deferred income tax asset were as follows:

	Fiscal Year End	
	2017	2016
	(in millions)	
Deferred tax assets:		
Accrued liabilities and reserves	$ 356	$ 286
Tax loss and credit carryforwards	5,265	4,656
Inventories	48	46
Pension and postretirement benefits	231	349
Deferred revenue	8	11
Interest	366	470
Unrecognized income tax benefits	10	10
Other	22	32
	6,306	5,860
Deferred tax liabilities:		
Intangible assets	(653)	(761)
Property, plant, and equipment	(22)	(15)
Other	(99)	(84)
	(774)	(860)
Net deferred tax asset before valuation allowance	5,532	5,000
Valuation allowance	(3,627)	(3,096)
Net deferred tax asset	$ 1,905	$ 1,904

15. Income Taxes (Continued)

Our tax loss and credit carryforwards (tax effected) at fiscal year end 2017 were as follows:

	Expiration Period			
	Through Fiscal 2022	Fiscal 2023 Through Fiscal 2037	No Expiration	Total
	(in millions)			
U.S. Federal:				
Net operating loss carryforwards	$ 143	$ 1,171	$ —	$ 1,314
Tax credit carryforwards	24	119	57	200
Capital loss carryforwards	10	—	—	10
U.S. State:				
Net operating loss carryforwards.	52	49	—	101
Tax credit carryforwards	9	15	7	31
Non-U.S.:				
Net operating loss carryforwards	11	998	2,568	3,577
Tax credit carryforwards	—	1	2	3
Capital loss carryforwards	—	—	29	29
Total tax loss and credit carryforwards	$ 249	$ 2,353	$ 2,663	$ 5,265

The valuation allowance for deferred tax assets of $3,627 million and $3,096 million at fiscal year end 2017 and 2016, respectively, related principally to the uncertainty of the utilization of certain deferred tax assets, primarily tax loss, capital loss, and credit carryforwards in various jurisdictions. During fiscal 2017, tax loss and credit carryforwards increased due primarily to tax losses of $709 million (tax effected) generated in connection with the net write-down of investments in subsidiaries in certain jurisdictions, offset by the impacts of a statutory rate reduction in the same jurisdictions. The valuation allowance was increased by a corresponding amount due to the uncertainty of future realization of these tax losses. Additionally, the valuation allowance decreased by $165 million in connection with the adoption of ASU No. 2016-09 related to share-based payments. See Note 2 for additional information regarding recently adopted accounting pronouncements. We believe that we will generate sufficient future taxable income to realize the income tax benefits related to the remaining net deferred tax assets on the Consolidated Balance Sheet.

We have provided income taxes for earnings that are currently distributed as well as the taxes associated with several subsidiaries' earnings that are expected to be distributed in the future. No additional provision has been made for Swiss or non-Swiss income taxes on the undistributed earnings of subsidiaries or for unrecognized deferred tax liabilities for temporary differences related to basis differences in investments in subsidiaries, as such earnings are expected to be permanently reinvested, the investments are essentially permanent in duration, or we have concluded that no additional tax liability will arise as a result of the distribution of such earnings. As of fiscal year end 2017, certain subsidiaries had approximately $22 billion of cumulative undistributed earnings that have been retained indefinitely and reinvested in our global manufacturing operations, including working capital; property, plant, and equipment; intangible assets; and research and development activities. A liability could arise if our intention to permanently reinvest such earnings were to change and amounts are distributed by such subsidiaries or if such subsidiaries are ultimately disposed. It is not practicable to estimate the additional income taxes related to permanently reinvested earnings or the basis differences related to

15. Income Taxes (Continued)

investments in subsidiaries. As of fiscal year end 2017, we had approximately $6.3 billion of cash, cash equivalents, and intercompany deposits, principally in our subsidiaries, that we have the ability to distribute to TEGSA, our Luxembourg subsidiary, which is the obligor of substantially all of our debt, and to TE Connectivity Ltd., our Swiss parent company, but we consider to be permanently reinvested. We estimate that approximately $1.2 billion of tax expense would be recognized on the Consolidated Financial Statements if our intention to permanently reinvest these amounts were to change. Our current plans do not demonstrate a need to repatriate cash, cash equivalents, and intercompany deposits that are designated as permanently reinvested in order to fund our operations, including investing and financing activities.

Uncertain Tax Positions

As of fiscal year end 2017, we had total unrecognized income tax benefits of $501 million. If recognized in future years, $431 million of these currently unrecognized income tax benefits would impact income tax expense (benefit) and the effective tax rate. As of fiscal year end 2016, we had total unrecognized income tax benefits of $490 million. If recognized in future years, $370 million of these currently unrecognized income tax benefits would impact income tax expense (benefit) and the effective tax rate. The following table summarizes the activity related to unrecognized income tax benefits:

	Fiscal		
	2017	2016	2015
		(in millions)	
Balance at beginning of fiscal year	$ 490	$ 1,368	$ 1,595
Additions related to prior years tax positions	40	75	24
Reductions related to prior years tax positions	(9)	(817)	(291)
Additions related to current year tax positions	70	124	97
Acquisitions	—	4	—
Settlements	(4)	(205)	(29)
Reductions due to lapse of applicable statute of limitations	(86)	(59)	(28)
Balance at end of fiscal year	$ 501	$ 490	$ 1,368

We record accrued interest and penalties related to uncertain tax positions as part of income tax expense (benefit). As of fiscal year end 2017 and 2016, we had $60 million and $54 million, respectively, of accrued interest and penalties related to uncertain tax positions on the Consolidated Balance Sheets, recorded primarily in income taxes. During fiscal 2017, 2016, and 2015, we recognized income tax benefits of $5 million, benefits of $765 million, and expense of $7 million, respectively, related to interest and penalties on the Consolidated Statements of Operations.

We file income tax returns on a unitary, consolidated, or stand-alone basis in multiple state and local jurisdictions, which generally have statutes of limitations ranging from 3 to 4 years. Various state and local income tax returns are currently in the process of examination or administrative appeal.

Our non-U.S. subsidiaries file income tax returns in the countries in which they have operations. Generally, these countries have statutes of limitations ranging from 3 to 10 years. Various non-U.S. subsidiary income tax returns are currently in the process of examination by taxing authorities.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Income Taxes (Continued)

As of fiscal year end 2017, under applicable statutes, the following tax years remained subject to examination in the major tax jurisdictions indicated:

Jurisdiction	Open Years
China	2007 through 2017
Czech Republic	2014 through 2017
Germany	2013 through 2017
Hong Kong	2011 through 2017
Ireland	2012 through 2017
Italy	2013 through 2017
Japan	2011 through 2017
Korea	2012 through 2017
Luxembourg	2012 through 2017
Netherlands	2012 through 2017
Singapore	2012 through 2017
Spain	2013 through 2017
Switzerland	2012 through 2017
United Kingdom	2015 through 2017
U.S.—federal	2014 through 2017

In most jurisdictions, taxing authorities retain the ability to review prior tax years and to adjust any net operating loss and tax credit carryforwards from these years that are utilized in a subsequent period.

Although it is difficult to predict the timing or results of our worldwide examinations, we estimate that approximately $40 million of unrecognized income tax benefits, excluding the impact relating to accrued interest and penalties, could be resolved within the next twelve months.

We are not aware of any other matters that would result in significant changes to the amount of unrecognized income tax benefits reflected on the Consolidated Balance Sheet as of fiscal year end 2017.

IRS Audits

1997-2000 Audit Years

As previously disclosed, in fiscal 2013, the IRS effectively settled its audit of all tax matters for the years 1997 through 2000, excluding one issue involving the tax treatment of certain intercompany debt transactions. In fiscal 2016, the U.S. Tax Court resolved all aspects of the disputed debt matter for the 1997 to 2000 audit cycle and the Appeals Division of the IRS effectively settled the intercompany debt issues on appeal for subsequent audit cycles (years 2001 to 2007). In connection with these developments, in fiscal 2016, we recognized an income tax benefit of $1,135 million, representing a reduction in tax reserves, and other expense of $604 million, representing a reduction of associated indemnification receivables, pursuant to the Tax Sharing Agreement with Tyco International and Covidien. See Note 12 for further information regarding the Tax Sharing Agreement.

During fiscal 2016, in connection with the disputed debt matter, we made a payment to the IRS of $443 million for tax deficiencies for which we were the primary obligor. Concurrent with remitting this

15. Income Taxes (Continued)

payment, we received net reimbursements of $303 million from Tyco International and Covidien pursuant to their indemnifications for pre-separation tax matters.

2001-2007 Audit Years

In fiscal 2015, the IRS effectively settled its audit of tax matters for the years 2001 through 2007, excluding the disputed debt matter which was subsequently resolved during fiscal 2016 as discussed above. Consequently, in fiscal 2015, we recognized an income tax benefit of $201 million, representing a reduction in tax reserves for the matters that were effectively settled, and other expense of $84 million, representing a reduction of associated indemnification receivables, pursuant to the Tax Sharing Agreement with Tyco International and Covidien.

2008-2010 Audit Years

In fiscal 2015, the IRS effectively settled its audit of tax matters for the years 2008 through 2010, excluding the disputed debt matter which was subsequently resolved consistent with the terms of the disputed debt settlement discussed above. Consequently, in fiscal 2015, we recognized an income tax benefit of $63 million, representing a reduction in tax reserves for the matters that were effectively settled.

16. Other Expense, Net

In fiscal 2017, 2016, and 2015, we recorded net other expense of $9 million, $632 million, and $55 million, respectively, primarily pursuant to the Tax Sharing Agreement with Tyco International and Covidien. The net other expense in fiscal 2016 included $604 million related to the effective settlement of tax matters for the years 1997 through 2000 which resolved all aspects of the disputed debt matter with the IRS through the year 2007 and $46 million related to a tax settlement in another tax jurisdiction. The net other expense in fiscal 2015 included $84 million related to the effective settlement of undisputed tax matters for the years 2001 through 2007. See Notes 12 and 15 for further information regarding the Tax Sharing Agreement and settlements, respectively.

17. Earnings Per Share

The weighted-average number of shares outstanding used in the computations of basic and diluted earnings per share were as follows:

	Fiscal		
	2017	2016	2015
	(in millions)		
Basic	355	366	405
Dilutive impact of share-based compensation arrangements	3	3	6
Diluted	358	369	411

There were one million, three million, and one million share options that were not included in the computation of diluted earnings per share for fiscal 2017, 2016, and 2015, respectively, because the instruments' underlying exercise prices were greater than the average market prices of our common shares and inclusion would be antidilutive.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Shareholders' Equity

Common Shares

We are organized under the laws of Switzerland. The rights of holders of our shares are governed by Swiss law, our Swiss articles of association, and our Swiss organizational regulations. Accordingly, the par value of our common shares is stated in Swiss francs ("CHF"). We continue to use the U.S. dollar, however, as our reporting currency on the Consolidated Financial Statements.

Subject to certain conditions specified in our articles of association, we are authorized to increase our conditional share capital by issuing new shares in aggregate not exceeding 50% of our authorized shares. In March 2016, our shareholders approved for a period of two years ending on March 2, 2018, our board of directors' authorization to issue additional new shares, subject to certain conditions specified in the articles of association, in aggregate not exceeding 50% of the amount of our authorized shares.

Common Shares Held in Treasury

At fiscal year end 2017, approximately 5 million common shares were held in treasury and owned by one of our subsidiaries. At fiscal year end 2016, approximately 28 million common shares were held in treasury, of which 2 million were owned by one of our subsidiaries. Shares held both directly by us and by our subsidiary are presented as treasury shares on the Consolidated Balance Sheets.

In fiscal 2017, 2016, and 2015, our shareholders approved the cancellation of 26 million, 31 million, and 5 million shares, respectively, purchased under our share repurchase program. These capital reductions by cancellation of shares were subject to a notice period and filing with the commercial register in Switzerland.

Contributed Surplus

During fiscal 2017, cumulative equity transactions, including dividend activity and treasury share cancellations, reduced our contributed surplus balance to zero with residual activity recorded against accumulated earnings as reflected on the Consolidated Statement of Shareholders' Equity. To the extent that the contributed surplus balance continues to be zero, the impact of future transactions that normally would have been recorded as a reduction of contributed surplus will be recorded in accumulated earnings. Contributed surplus established for Swiss tax and statutory purposes ("Swiss Contributed Surplus"), is not impacted by our GAAP treatment.

Swiss Contributed Surplus, subject to certain conditions, is a freely distributable reserve. As of fiscal year end 2017 and 2016, Swiss Contributed Surplus was CHF 7,300 million and CHF 7,878 million, respectively (equivalent to $6,420 million and $6,992 million, respectively).

Dividends

Under Swiss law, subject to certain conditions, dividends paid from reserves from capital contributions (equivalent to Swiss Contributed Surplus) are exempt from Swiss withholding tax. Dividends on our shares must be approved by our shareholders.

18. Shareholders' Equity (Continued)

Our shareholders approved the following dividends on our common shares:

Approval Date	Annual Payment Per Share	Payment Dates
March 2014	CHF 1.04 (equivalent to $1.16), payable in four quarterly installments of $0.29	Third quarter of fiscal 2014 Fourth quarter of fiscal 2014 First quarter of fiscal 2015 Second quarter of fiscal 2015
March 2015	$1.32 (equivalent to CHF 1.27), payable in four quarterly installments of $0.33	Third quarter of fiscal 2015 Fourth quarter of fiscal 2015 First quarter of fiscal 2016 Second quarter of fiscal 2016
March 2016	$1.48 (equivalent to CHF 1.48), payable in four quarterly installments of $0.37	Third quarter of fiscal 2016 Fourth quarter of fiscal 2016 First quarter of fiscal 2017 Second quarter of fiscal 2017
March 2017	$1.60 (equivalent to CHF 1.62), payable in four quarterly installments of $0.40	Third quarter of fiscal 2017 Fourth quarter of fiscal 2017 First quarter of fiscal 2018 Second quarter of fiscal 2018

Upon shareholders' approval of a dividend payment, we record a liability with a corresponding charge to shareholders' equity. At fiscal year end 2017 and 2016, the unpaid portion of the dividends recorded in accrued and other current liabilities on the Consolidated Balance Sheets totaled $281 million and $263 million, respectively.

Share Repurchase Program

During fiscal 2016 and 2015, our board of directors authorized increases of $1.0 billion and $3.0 billion, respectively, in the share repurchase program. Common shares repurchased under the share repurchase program were as follows:

	Fiscal		
	2017	2016	2015
		(in millions)	
Number of common shares repurchased	8	43	18
Repurchase value	$ 621	$ 2,610	$ 1,163

At fiscal year end 2017, we had $480 million of availability remaining under our share repurchase authorization.

19. Accumulated Other Comprehensive Income (Loss)

The changes in each component of accumulated other comprehensive income (loss) were as follows:

	Currency Translation (1)	Unrecognized Pension and Postretirement Benefit Costs	Gains (Losses) on Cash Flow Hedges	Accumulated Other Comprehensive Income (Loss)
		(in millions)		
Balance at fiscal year end 2014	$ 720	$ (692)	$ (45)	$ (17)
Other comprehensive loss before reclassifications	(536)	(147)	(44)	(727)
Amounts reclassified from accumulated other comprehensive income (loss)	224(2)	75	45	344
Income tax benefit	—	26	1	27
Net other comprehensive income (loss), net of tax	(312)	(46)	2	(356)
Balance at fiscal year end 2015	408	(738)	(43)	(373)
Other comprehensive loss before reclassifications	(69)	(190)	(14)	(273)
Amounts reclassified from accumulated other comprehensive income (loss)	(23)	70	32	79
Income tax (expense) benefit	—	32	(7)	25
Net other comprehensive income (loss), net of tax	(92)	(88)	11	(169)
Balance at fiscal year end 2016	316	(826)	(32)	(542)
Other comprehensive income before reclassifications	38	378	32	448
Amounts reclassified from accumulated other comprehensive income (loss)	(1)	74	(14)	59
Income tax expense	—	(122)	(3)	(125)
Net other comprehensive income, net of tax	37	330	15	382
Balance at fiscal year end 2017	$ 353	$ (496)	$ (17)	$ (160)

(1) Includes hedges of net investment foreign exchange gains or losses which offset foreign exchange losses or gains attributable to the translation of the net investments.

(2) Represents net currency translation reclassified as a result of the sale of our BNS business. This net loss is included in income from discontinued operations on the Consolidated Statement of Operations. See Note 4 for additional information regarding the divestiture of BNS.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Share Plans

Our equity compensation plans, of which the TE Connectivity Ltd. 2007 Stock and Incentive Plan, amended and restated as of March 8, 2017 (the "2017 Plan"), is the primary plan, provide 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") and allow for the use of unissued shares or treasury shares to be used to satisfy such Awards. In March 2017, our shareholders approved an increase of 10 million shares in the number of shares available for awards under the 2017 Plan. As of fiscal year end 2017, our plans provided for a maximum of 77 million shares to be issued as Awards, subject to adjustment as provided under the terms of the plans. A total of 23 million shares remained available for issuance under our plans as of fiscal year end 2017.

Share-Based Compensation Expense

Share-based compensation expense, which was included in selling, general, and administrative expenses on the Consolidated Statements of Operations, was as follows:

	Fiscal 2017	Fiscal 2016	Fiscal 2015
	(in millions)		
Share-based compensation expense	$ 99	$ 91	$ 89

We recognized a related tax benefit associated with our share-based compensation arrangements of $32 million, $29 million, and $29 million in fiscal 2017, 2016, and 2015, respectively.

Restricted Share Awards

Restricted share awards, which are generally in the form of restricted share units, are granted subject to certain restrictions. Conditions of vesting are determined at the time of grant. All restrictions on an award will lapse upon death or disability of the employee. If the employee satisfies retirement requirements, a portion of the award may vest, depending on the terms and conditions of the particular grant. Recipients of restricted share units have no voting rights, but do receive dividend equivalents. For grants that vest through passage of time, the fair value of the award at the time of the grant is amortized to expense over the period of vesting. The fair value of restricted share awards is determined based on the closing value of our shares on the grant date. Restricted share awards generally vest in increments over a period of four years as determined by the management development and compensation committee.

Restricted share award activity was as follows:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at fiscal year end 2016	2,287,004	$ 58.47
Granted	821,016	67.72
Vested	(937,917)	52.89
Forfeited	(179,319)	63.12
Nonvested at fiscal year end 2017	1,990,784	$ 64.40

20. Share Plans (Continued)

The weighted-average grant-date fair value of restricted share awards granted during fiscal 2017, 2016, and 2015 was $67.72, $64.88, and $62.45, respectively.

The total fair value of restricted share awards that vested during fiscal 2017, 2016, and 2015 was $50 million, $51 million, and $58 million, respectively.

As of fiscal year end 2017, there was $74 million of unrecognized compensation cost related to nonvested restricted share awards. The cost is expected to be recognized over a weighted-average period of 1.7 years.

Performance Share Awards

Performance share awards, which are generally in the form of performance share units, are granted with pay-out subject to vesting requirements and certain performance conditions that are determined at the time of grant. Based on our performance, the pay-out of performance share units can range from 0% to 200% of the number of units originally granted. The grant-date fair value of performance share awards is expensed over the period of performance once achievement of the performance criteria is deemed probable. Recipients of performance share units have no voting rights but do receive dividend equivalents. Performance share awards generally vest after a period of three years as determined by the management development and compensation committee.

Performance share award activity was as follows:

	Shares	Weighted-Average Grant-Date Fair Value
Outstanding at fiscal year end 2016	626,625	$ 60.56
Granted	376,380	62.88
Vested	(281,417)	51.61
Forfeited	(18,181)	65.12
Outstanding at fiscal year end 2017	703,407	$ 65.13

The weighted-average grant-date fair value of performance share awards granted during fiscal 2017, 2016, and 2015 was $62.88, $55.15, and $61.65, respectively.

The total fair value of performance share awards that vested during both fiscal 2017 and 2016 was $15 million. The total fair value of performance share awards that vested in fiscal 2015 was insignificant.

As of fiscal year end 2017, there was $28 million of unrecognized compensation cost related to nonvested performance share awards. The cost is expected to be recognized over a weighted-average period of 1.2 years.

Share Options

Share options are granted to purchase our common shares at prices which are equal to or greater than the market price of the common shares on the date the option is granted. Conditions of vesting are determined at the time of grant. All restrictions on the award will lapse upon death or disability of the employee. If the employee satisfies retirement requirements, a portion of the award may vest,

20. Share Plans (Continued)

depending on the terms and conditions of the particular grant. Options generally vest and become exercisable in equal annual installments over a period of four years and expire ten years after the date of grant.

Share option award activity was as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at fiscal year end 2016	9,104,380	$ 45.79		
Granted	2,076,300	66.76		
Exercised	(3,313,145)	34.96		
Expired	(2,307)	45.08		
Forfeited	(180,135)	63.24		
Outstanding at fiscal year end 2017	7,685,093	$ 55.70	7.0	$ 210
Vested and expected to vest at fiscal year end 2017	7,228,213	$ 55.14	7.0	$ 202
Exercisable at fiscal year end 2017	3,482,445	$ 44.91	5.4	$ 133

The weighted-average exercise price of share option awards granted during fiscal 2017, 2016, and 2015 was $66.76, $65.70, and $61.70, respectively.

The total intrinsic value of options exercised during fiscal 2017, 2016, and 2015 was $130 million, $67 million, and $107 million, respectively. We received cash related to the exercise of options of $117 million, $90 million, and $103 million in fiscal 2017, 2016, and 2015, respectively.

As of fiscal year end 2017, there was $37 million of unrecognized compensation cost related to nonvested share options granted under our share option plans. The cost is expected to be recognized over a weighted-average period of 1.9 years.

Share-Based Compensation Assumptions

The grant-date fair value of each share option grant was estimated using the Black-Scholes-Merton option pricing model. Use of a valuation model requires management to make certain assumptions with respect to selected model inputs. We employ our historical share volatility when calculating the grant-date fair value of our share option grants using the Black-Scholes-Merton option pricing model. Currently, we do not have exchange-traded options of sufficient duration to employ an implied volatility assumption in the calculation and therefore rely solely on the historical volatility calculation. The average expected life was based on the contractual term of the option and expected employee exercise and post-vesting employment termination behavior. The risk-free interest rate was based on U.S. Treasury zero-coupon issues with a remaining term that approximated the expected life assumed at the date of grant. The expected annual dividend per share was based on our expected dividend rate. The recognized share-based compensation expense was net of estimated forfeitures, which are based on voluntary termination behavior as well as an analysis of actual option forfeitures.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Share Plans (Continued)

The weighted-average grant-date fair value of options granted and the weighted-average assumptions we used in the Black-Scholes-Merton option pricing model were as follows:

	Fiscal		
	2017	2016	2015
Weighted-average grant-date fair value	$ 12.80	$ 14.26	$ 18.77
Assumptions:			
Expected share price volatility	24%	26%	36%
Risk free interest rate	1.9%	2.0%	2.0%
Expected annual dividend per share	$ 1.48	$ 1.32	$ 1.16
Expected life of options (in years)	5.6	5.7	6.0

21. Segment and Geographic Data

We operate through three reportable segments: Transportation Solutions, Industrial Solutions, and Communications Solutions. See Note 1 for a description of the segments in which we operate. We aggregate our operating segments into reportable segments based upon similar economic characteristics and business groupings of products, services, and customers.

Segment performance is evaluated based on net sales and operating income. Generally, we consider all expenses to be of an operating nature and, accordingly, allocate them to each reportable segment. Costs specific to a segment are charged to the segment. Corporate expenses, such as headquarters administrative costs, are allocated to the segments based on segment operating income. Intersegment sales were not material and were recorded at selling prices that approximate market prices. Corporate assets are allocated to the segments based on segment assets.

Net sales and operating income by segment were as follows:

	Net Sales			Operating Income		
	Fiscal			Fiscal		
	2017	2016	2015	2017	2016	2015
	(in millions)					
Transportation Solutions	$ 7,039	$ 6,503	$ 6,351	$ 1,299	$ 1,191	$ 1,193
Industrial Solutions	3,507	3,215	3,179	364	343	352
Communications Solutions	2,567	2,520	2,703	384	368(1)	204
Total	$ 13,113	$ 12,238	$ 12,233	$ 2,047	$ 1,902	$ 1,749

(1) Includes pre-tax gain of $144 million on the sale of our CPD business during fiscal 2016.

No single customer accounted for a significant amount of our net sales in fiscal 2017, 2016, or 2015.

As we are not organized by product or service, it is not practicable to disclose net sales by product or service.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Segment and Geographic Data (Continued)

Depreciation and amortization and capital expenditures were as follows:

	Depreciation and Amortization			Capital Expenditures		
	Fiscal			Fiscal		
	2017	2016	2015	2017	2016	2015
	(in millions)					
Transportation Solutions	$359	$337	$347	$471	$429	$400
Industrial Solutions	165	131	123	122	107	104
Communications Solutions	111	117	146	109	92	96
Total	$635	$585	$616	$702	$628	$600

Segment assets and a reconciliation of segment assets to total assets were as follows:

	Segment Assets		
	Fiscal Year End		
	2017	2016	2015
	(in millions)		
Transportation Solutions	$ 4,072	$ 3,501	$ 3,310
Industrial Solutions	1,905	1,720	1,720
Communications Solutions	1,526	1,473	1,625
Total segment assets (1)	7,503	6,694	6,655
Other current assets	1,823	1,133	4,150
Other non-current assets	10,077	9,781	9,784
Total assets	$ 19,403	$ 17,608	$ 20,589

(1) Segment assets are composed of accounts receivable, inventories, and net property, plant, and equipment.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Segment and Geographic Data (Continued)

Net sales and net property, plant, and equipment by geographic region were as follows:

	Net Sales (1)			Property, Plant, and Equipment, Net		
	Fiscal			Fiscal Year End		
	2017	2016	2015	2017	2016	2015
	(in millions)					
Americas:						
U.S.	$ 4,063	$ 3,901	$ 3,817	$ 980	$ 922	$ 887
Other Americas	338	298	321	100	93	87
Total Americas	4,401	4,199	4,138	1,080	1,015	974
Europe/Middle East/Africa:						
Switzerland	3,016	2,979	2,992	80	62	55
Germany	235	127	117	412	334	313
Other Europe/Middle East/Africa	1,150	1,010	883	742	630	588
Total Europe/Middle East/Africa	4,401	4,116	3,992	1,234	1,026	956
Asia–Pacific:						
China	2,414	2,165	2,367	555	491	529
Other Asia–Pacific	1,897	1,758	1,736	531	520	461
Total Asia–Pacific	4,311	3,923	4,103	1,086	1,011	990
Total	$ 13,113	$ 12,238	$ 12,233	$ 3,400	$ 3,052	$ 2,920

(1) Net sales to external customers is attributed to individual countries based on the legal entity that records the sale.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Quarterly Financial Data (unaudited)

Summarized quarterly financial data was as follows:

	Fiscal 2017 First Quarter	Fiscal 2017 Second Quarter	Fiscal 2017 Third Quarter	Fiscal 2017 Fourth Quarter	Fiscal 2016 First Quarter	Fiscal 2016 Second Quarter (1)	Fiscal 2016 Third Quarter (2)	Fiscal 2016 Fourth Quarter (3)
	(in millions, except per share data)							
Net sales	$ 3,063	$ 3,227	$ 3,367	$ 3,456	$ 2,833	$ 2,952	$ 3,121	$ 3,332
Gross margin	1,065	1,108	1,138	1,139	945	962	1,022	1,104
Acquisition and integration costs	2	2	1	1	5	3	11	3
Restructuring and other charges (credits), net	47	59	19	23	40	(99)	31	30
Income from continuing operations	406	406	432	429	324	389	791	437
Income (loss) from discontinued operations, net of income taxes	3	(1)	3	5	29	(9)	48	—
Net income	$ 409	$ 405	$ 435	$ 434	$ 353	$ 380	$ 839	$ 437
Basic earnings per share:								
Income from continuing operations	$ 1.14	$ 1.14	$ 1.22	$ 1.22	$ 0.84	$ 1.07	$ 2.22	$ 1.23
Net income	1.15	1.14	1.23	1.23	0.92	1.04	2.35	1.23
Diluted earnings per share:								
Income from continuing operations	$ 1.13	$ 1.13	$ 1.21	$ 1.21	$ 0.83	$ 1.06	$ 2.19	$ 1.22
Net income	1.14	1.13	1.22	1.22	0.91	1.03	2.32	1.22

(1) Results for the second quarter of fiscal 2016 included a pre-tax gain of $146 million on the sale of our CPD business.

(2) Results for the third quarter of fiscal 2016 included a $1,135 million income tax benefit associated with the effective settlement of tax matters for the years 1997 through 2000 which resolved all aspects of the disputed debt matter with the IRS through the year 2007 and the related impact of $604 million to other expense pursuant to the Tax Sharing Agreement with Tyco International and Covidien. In addition, results for the third quarter of fiscal 2016 included a $91 million income tax charge related to an increase to the valuation allowance for certain U.S. deferred tax assets, and an $83 million net income tax benefit related to tax settlements in certain other tax jurisdictions and the related impact of $46 million to other expense pursuant to the Tax Sharing Agreement with Tyco International and Covidien.

(3) Results for the fourth quarter of fiscal 2016 included an additional week. See Note 1 for additional information regarding our fiscal year end.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Tyco Electronics Group S.A.

Tyco Electronics Group S.A. ("TEGSA"), a Luxembourg company and our 100%-owned subsidiary, is a holding company that owns, directly or indirectly, all of our operating subsidiaries. TEGSA is the obligor under our senior notes, commercial paper, and Credit Facility, which are fully and unconditionally guaranteed by its parent, TE Connectivity Ltd. The following tables present condensed consolidating financial information for TE Connectivity Ltd., TEGSA, and all other subsidiaries that are not providing a guarantee of debt but which represent assets of TEGSA, using the equity method of accounting.

Condensed Consolidating Statement of Operations
For the Fiscal Year Ended September 29, 2017

	TE Connectivity Ltd.	TEGSA	Other Subsidiaries	Consolidating Adjustments	Total
			(in millions)		
Net sales	$ —	$ —	$ 13,113	$ —	$ 13,113
Cost of sales	—	—	8,663	—	8,663
Gross margin	—	—	4,450	—	4,450
Selling, general, and administrative expenses, net (1)	184	1,911	(504)	—	1,591
Research, development, and engineering expenses	—	—	658	—	658
Acquisition and integration costs	—	—	6	—	6
Restructuring and other charges, net	—	—	148	—	148
Operating income (loss)	(184)	(1,911)	4,142	—	2,047
Interest income	—	—	20	—	20
Interest expense	—	(129)	(1)	—	(130)
Other expense, net	—	—	(9)	—	(9)
Equity in net income of subsidiaries	1,889	3,819	—	(5,708)	—
Equity in net income of subsidiaries of discontinued operations	10	23	—	(33)	—
Intercompany interest income (expense), net	(32)	110	(78)	—	—
Income from continuing operations before income taxes	1,683	1,912	4,074	(5,741)	1,928
Income tax expense	—	—	(255)	—	(255)
Income from continuing operations	1,683	1,912	3,819	(5,741)	1,673
Income (loss) from discontinued operations, net of income taxes (2)	—	(13)	23	—	10
Net income	1,683	1,899	3,842	(5,741)	1,683
Other comprehensive income	382	382	375	(757)	382
Comprehensive income	$ 2,065	$ 2,281	$ 4,217	$ (6,498)	$ 2,065

(1) TEGSA selling, general and administrative expenses include losses of $1,965 million related to intercompany transactions. These losses are offset by corresponding gains recorded by other subsidiaries.

(2) Includes the internal allocation of gains and losses associated with the divestiture of our BNS business.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Tyco Electronics Group S.A. (Continued)

Condensed Consolidating Statement of Operations
For the Fiscal Year Ended September 30, 2016

	TE Connectivity Ltd.	TEGSA	Other Subsidiaries	Consolidating Adjustments	Total
			(in millions)		
Net sales	$ —	$ —	$ 12,238	$ —	$ 12,238
Cost of sales	—	—	8,205	—	8,205
Gross margin	—	—	4,033	—	4,033
Selling, general, and administrative expenses, net (1)	168	95	1,200	—	1,463
Research, development, and engineering expenses	—	—	644	—	644
Acquisition and integration costs	—	—	22	—	22
Restructuring and other charges (credits), net	2	(1)	1	—	2
Operating income (loss)	(170)	(94)	2,166	—	1,902
Interest income	—	—	19	—	19
Interest expense	—	(126)	(1)	—	(127)
Other expense, net	—	—	(632)	—	(632)
Equity in net income of subsidiaries	2,139	2,261	—	(4,400)	—
Equity in net income of subsidiaries of discontinued operations	67	168	—	(235)	—
Intercompany interest income (expense), net	(28)	98	(70)	—	—
Income from continuing operations before income taxes	2,008	2,307	1,482	(4,635)	1,162
Income tax benefit	—	—	779	—	779
Income from continuing operations	2,008	2,307	2,261	(4,635)	1,941
Income (loss) from discontinued operations, net of income taxes (2)	1	(101)	168	—	68
Net income	2,009	2,206	2,429	(4,635)	2,009
Other comprehensive loss	(169)	(169)	(143)	312	(169)
Comprehensive income	$ 1,840	$ 2,037	$ 2,286	$ (4,323)	$ 1,840

(1) TEGSA selling, general, and administrative expenses include losses of $80 million related to intercompany transactions. These losses are offset by corresponding gains recorded by other subsidiaries.

(2) Includes the internal allocation of gains and losses associated with the divestiture of our BNS business.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Tyco Electronics Group S.A. (Continued)

Condensed Consolidating Statement of Operations
For the Fiscal Year Ended September 25, 2015

	TE Connectivity Ltd.	TEGSA	Other Subsidiaries	Consolidating Adjustments	Total
			(in millions)		
Net sales	$ —	$ —	$ 12,233	$ —	$ 12,233
Cost of sales	—	—	8,146	—	8,146
Gross margin	—	—	4,087	—	4,087
Selling, general, and administrative expenses, net (1)	163	835	506	—	1,504
Research, development, and engineering expenses	—	—	627	—	627
Acquisition and integration costs	—	—	55	—	55
Restructuring and other charges, net	—	—	152	—	152
Operating income (loss)	(163)	(835)	2,747	—	1,749
Interest income	—	—	17	—	17
Interest expense	—	(135)	(1)	—	(136)
Other expense, net	—	—	(55)	—	(55)
Equity in net income of subsidiaries	1,398	2,318	—	(3,716)	—
Equity in net income of subsidiaries of discontinued operations	1,182	365	—	(1,547)	—
Intercompany interest income (expense), net	3	50	(53)	—	—
Income from continuing operations before income taxes	2,420	1,763	2,655	(5,263)	1,575
Income tax expense	—	—	(337)	—	(337)
Income from continuing operations	2,420	1,763	2,318	(5,263)	1,238
Income from discontinued operations, net of income taxes	—	817	365	—	1,182
Net income	2,420	2,580	2,683	(5,263)	2,420
Other comprehensive loss	(356)	(356)	(368)	724	(356)
Comprehensive income	$ 2,064	$ 2,224	$ 2,315	$ (4,539)	$ 2,064

(1) TEGSA selling, general, and administrative expenses include losses of $846 million related to intercompany transactions. These losses are offset by corresponding gains recorded by other subsidiaries.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Tyco Electronics Group S.A. (Continued)

Condensed Consolidating Balance Sheet
As of September 29, 2017

	TE Connectivity Ltd.	TEGSA	Other Subsidiaries	Consolidating Adjustments	Total
			(in millions)		
Assets					
Current assets:					
Cash and cash equivalents	$ —	$ —	$ 1,218	$ —	$ 1,218
Accounts receivable, net	—	—	2,290	—	2,290
Inventories	—	—	1,813	—	1,813
Intercompany receivables	49	1,914	60	(2,023)	—
Prepaid expenses and other current assets	4	96	505	—	605
Total current assets	53	2,010	5,886	(2,023)	5,926
Property, plant, and equipment, net	—	—	3,400	—	3,400
Goodwill	—	—	5,651	—	5,651
Intangible assets, net	—	—	1,841	—	1,841
Deferred income taxes	—	—	2,141	—	2,141
Investment in subsidiaries	11,960	20,109	—	(32,069)	—
Intercompany loans receivable	—	4,027	9,700	(13,727)	—
Other assets	—	6	438	—	444
Total Assets	$ 12,013	$ 26,152	$ 29,057	$ (47,819)	$ 19,403
Liabilities and Shareholders' Equity					
Current liabilities:					
Short-term debt	$ —	$ 708	$ 2	$ —	$ 710
Accounts payable	2	—	1,434	—	1,436
Accrued and other current liabilities	286	59	1,281	—	1,626
Deferred revenue	—	—	75	—	75
Intercompany payables	1,974	—	49	(2,023)	—
Total current liabilities	2,262	767	2,841	(2,023)	3,847
Long-term debt	—	3,629	5	—	3,634
Intercompany loans payable	—	9,700	4,027	(13,727)	—
Long-term pension and postretirement liabilities	—	—	1,160	—	1,160
Deferred income taxes	—	—	236	—	236
Income taxes	—	—	293	—	293
Other liabilities	—	96	386	—	482
Total Liabilities	2,262	14,192	8,948	(15,750)	9,652
Total Shareholders' Equity	9,751	11,960	20,109	(32,069)	9,751
Total Liabilities and Shareholders' Equity	$ 12,013	$ 26,152	$ 29,057	$ (47,819)	$ 19,403

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Tyco Electronics Group S.A. (Continued)

Condensed Consolidating Balance Sheet
As of September 30, 2016

	TE Connectivity Ltd.	TEGSA	Other Subsidiaries	Consolidating Adjustments	Total
			(in millions)		
Assets					
Current assets:					
Cash and cash equivalents	$ —	$ —	$ 647	$ —	$ 647
Accounts receivable, net	—	—	2,046	—	2,046
Inventories	—	—	1,596	—	1,596
Intercompany receivables	37	1,314	48	(1,399)	—
Prepaid expenses and other current assets	3	17	466	—	486
Total current assets	40	1,331	4,803	(1,399)	4,775
Property, plant, and equipment, net	—	—	3,052	—	3,052
Goodwill	—	—	5,492	—	5,492
Intangible assets, net	—	—	1,879	—	1,879
Deferred income taxes	—	—	2,111	—	2,111
Investment in subsidiaries	10,053	19,425	—	(29,478)	—
Intercompany loans receivable	22	3,739	10,313	(14,074)	—
Other assets	—	14	285	—	299
Total Assets	$ 10,115	$ 24,509	$ 27,935	$ (44,951)	$ 17,608
Liabilities and Shareholders' Equity					
Current liabilities:					
Short-term debt	$ —	$ 330	$ 1	$ —	$ 331
Accounts payable	1	—	1,089	—	1,090
Accrued and other current liabilities	266	57	1,114	—	1,437
Deferred revenue	—	—	208	—	208
Intercompany payables	1,363	—	36	(1,399)	—
Total current liabilities	1,630	387	2,448	(1,399)	3,066
Long-term debt	—	3,737	2	—	3,739
Intercompany loans payable	—	10,314	3,760	(14,074)	—
Long-term pension and postretirement liabilities	—	—	1,502	—	1,502
Deferred income taxes	—	—	207	—	207
Income taxes	—	—	247	—	247
Other liabilities	—	18	344	—	362
Total Liabilities	1,630	14,456	8,510	(15,473)	9,123
Total Shareholders' Equity	8,485	10,053	19,425	(29,478)	8,485
Total Liabilities and Shareholders' Equity	$ 10,115	$ 24,509	$ 27,935	$ (44,951)	$ 17,608

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Tyco Electronics Group S.A. (Continued)

Condensed Consolidating Statement of Cash Flows
For the Fiscal Year Ended September 29, 2017

	TE Connectivity Ltd.	TEGSA	Other Subsidiaries	Consolidating Adjustments	Total
			(in millions)		
Cash Flows From Operating Activities:					
Net cash provided by (used in) continuing operating activities [1]	$ (180)	$ 102	$ 2,630	$ (230)	$ 2,322
Net cash used in discontinued operating activities	—	—	(1)	—	(1)
Net cash provided by (used in) operating activities	(180)	102	2,629	(230)	2,321
Cash Flows From Investing Activities:					
Capital expenditures	—	—	(702)	—	(702)
Proceeds from sale of property, plant, and equipment	—	—	19	—	19
Acquisition of businesses, net of cash acquired	—	—	(250)	—	(250)
Proceeds from divestiture of business, net of cash retained by sold business	—	—	4	—	4
Intercompany distribution receipts [1]	—	516	—	(516)	—
Change in intercompany loans	—	(1,369)	—	1,369	—
Other	—	(12)	9	—	(3)
Net cash used in investing activities	—	(865)	(920)	853	(932)
Cash Flows From Financing Activities:					
Changes in parent company equity [2]	97	559	(656)	—	—
Net decrease in commercial paper	—	(330)	—	—	(330)
Proceeds from issuance of debt	—	589	—	—	589
Proceeds from exercise of share options	—	—	117	—	117
Repurchase of common shares	—	—	(614)	—	(614)
Payment of common share dividends to shareholders	(550)	—	4	—	(546)
Intercompany distributions [1]	—	(50)	(696)	746	—
Loan activity with parent	633	—	736	(1,369)	—
Transfers to discontinued operations	—	—	(1)	—	(1)
Other	—	(5)	(25)	—	(30)
Net cash provided by (used in) continuing financing activities	180	763	(1,135)	(623)	(815)
Net cash provided by discontinued financing activities	—	—	1	—	1
Net cash provided by (used in) financing activities	180	763	(1,134)	(623)	(814)
Effect of currency translation on cash	—	—	(4)	—	(4)
Net increase in cash and cash equivalents	—	—	571	—	571
Cash and cash equivalents at beginning of fiscal year	—	—	647	—	647
Cash and cash equivalents at end of fiscal year	$ —	$ —	$ 1,218	$ —	$ 1,218

(1) During fiscal 2017, other subsidiaries made distributions to TEGSA in the amount of $696 million and TEGSA made distributions to TE Connectivity Ltd. in the amount of $50 million. Cash flows are presented based upon the nature of the distributions.

(2) Changes in parent company equity includes cash flows related to certain intercompany equity and funding transactions, and other intercompany activity.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Tyco Electronics Group S.A. (Continued)

Condensed Consolidating Statement of Cash Flows
For the Fiscal Year Ended September 30, 2016

	TE Connectivity Ltd.	TEGSA	Other Subsidiaries	Consolidating Adjustments	Total
			(in millions)		
Cash Flows From Operating Activities:					
Net cash provided by (used in) continuing operating activities [1]	$ (37)	$ 211	$ 2,206	$ (336)	$ 2,044
Net cash used in discontinued operating activities	—	—	(97)	—	(97)
Net cash provided by (used in) operating activities	(37)	211	2,109	(336)	1,947
Cash Flows From Investing Activities:					
Capital expenditures	—	—	(628)	—	(628)
Proceeds from sale of property, plant, and equipment	—	—	8	—	8
Acquisition of businesses, net of cash acquired	—	—	(1,336)	—	(1,336)
Proceeds from divestiture of business, net of cash retained by sold business	—	199	134	—	333
Proceeds from divestiture of discontinued operations, net of cash retained by sold operations [2]	—	(120)	101	—	(19)
Intercompany distribution receipts [1]	1,082	1,729	—	(2,811)	—
Change in intercompany loans	—	(1,244)	—	1,244	—
Other	—	—	61	—	61
Net cash provided by (used in) investing activities	1,082	564	(1,660)	(1,567)	(1,581)
Cash Flows From Financing Activities:					
Changes in parent company equity [3]	410	300	(710)	—	—
Net increase in commercial paper	—	330	—	—	330
Proceeds from issuance of debt	—	349	3	—	352
Repayment of debt	—	(500)	(1)	—	(501)
Proceeds from exercise of share options	—	—	90	—	90
Repurchase of common shares	(2,780)	—	(7)	—	(2,787)
Payment of common share dividends to shareholders	(513)	—	4	—	(509)
Intercompany distributions [1]	—	(1,250)	(1,897)	3,147	—
Loan activity with parent	1,838	—	(594)	(1,244)	—
Transfers to discontinued operations	—	—	(97)	—	(97)
Other	—	(4)	(26)	—	(30)
Net cash used in continuing financing activities	(1,045)	(775)	(3,235)	1,903	(3,152)
Net cash provided by discontinued financing activities	—	—	97	—	97
Net cash used in financing activities	(1,045)	(775)	(3,138)	1,903	(3,055)
Effect of currency translation on cash	—	—	7	—	7
Net decrease in cash and cash equivalents	—	—	(2,682)	—	(2,682)
Cash and cash equivalents at beginning of fiscal year	—	—	3,329	—	3,329
Cash and cash equivalents at end of fiscal year	$ —	$ —	$ 647	$ —	$ 647

(1) During fiscal 2016, other subsidiaries made distributions to TEGSA in the amount of $1,897 million and TEGSA made distributions to TE Connectivity Ltd. in the amount of $1,250 million. Cash flows are presented based upon the nature of the distributions.

(2) Includes the internal allocation of proceeds between TEGSA and other subsidiaries associated with the divestiture of our BNS business.

(3) Changes in parent company equity includes cash flows related to certain intercompany equity and funding transactions, and other intercompany activity.

TE CONNECTIVITY LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Tyco Electronics Group S.A. (Continued)

Condensed Consolidating Statement of Cash Flows
For the Fiscal Year Ended September 25, 2015

	TE Connectivity Ltd.	TEGSA	Other Subsidiaries	Consolidating Adjustments	Total
			(in millions)		
Cash Flows From Operating Activities:					
Net cash provided by continuing operating activities (1)	$ 1,186	$ 1,270	$ 1,841	$ (2,661)	$ 1,636
Net cash provided by discontinued operating activities	—	—	294	—	294
Net cash provided by operating activities	1,186	1,270	2,135	(2,661)	1,930
Cash Flows From Investing Activities:					
Capital expenditures	—	—	(600)	—	(600)
Proceeds from sale of property, plant, and equipment	—	—	17	—	17
Acquisition of businesses, net of cash acquired	—	—	(1,725)	—	(1,725)
Proceeds from divestiture of discontinued operations, net of cash retained by sold operations	—	709	2,248	—	2,957
Change in intercompany loans	—	(1,304)	—	1,304	—
Other	—	—	12	—	12
Net cash provided by (used in) continuing investing activities	—	(595)	(48)	1,304	661
Net cash used in discontinued investing activities	—	—	(25)	—	(25)
Net cash provided by (used in) investing activities	—	(595)	(73)	1,304	636
Cash Flows From Financing Activities:					
Changes in parent company equity (2)	80	624	(704)	—	—
Net decrease in commercial paper	—	(328)	—	—	(328)
Proceeds from issuance of debt	—	617	—	—	617
Repayment of debt	—	(250)	(223)	—	(473)
Proceeds from exercise of share options	—	—	103	—	103
Repurchase of common shares	(916)	—	(107)	—	(1,023)
Payment of common share dividends to shareholders	(515)	—	13	—	(502)
Intercompany distributions (1)	—	(1,335)	(1,326)	2,661	—
Loan activity with parent	165	—	1,139	(1,304)	—
Transfers from discontinued operations	—	—	269	—	269
Other	—	(4)	(13)	—	(17)
Net cash used in continuing financing activities	(1,186)	(676)	(849)	1,357	(1,354)
Net cash used in discontinued financing activities	—	—	(269)	—	(269)
Net cash used in financing activities	(1,186)	(676)	(1,118)	1,357	(1,623)
Effect of currency translation on cash	—	—	(71)	—	(71)
Net increase (decrease) in cash and cash equivalents	—	(1)	873	—	872
Cash and cash equivalents at beginning of fiscal year	—	1	2,456	—	2,457
Cash and cash equivalents at end of fiscal year	$ —	$ —	$ 3,329	$ —	$ 3,329

(1) During fiscal 2015, other subsidiaries made distributions to TEGSA in the amount of $1,326 million and TEGSA made distributions to TE Connectivity Ltd. in the amount of $1,335 million. Cash flows are presented based upon the nature of the distributions.

(2) Changes in parent company equity includes cash flows related to certain intercompany equity and funding transactions, and other intercompany activity.

TE CONNECTIVITY LTD.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

Fiscal Years Ended September 29, 2017, September 30, 2016, and September 25, 2015

Description	Balance at Beginning of Fiscal Year	Additions Charged to Costs and Expenses	Acquisitions, Divestitures, and Other	Deductions	Balance at End of Fiscal Year
			(in millions)		
Fiscal 2017:					
Allowance for doubtful accounts receivable	$ 17	$ 8	$ —	$ (4)	$ 21
Valuation allowance on deferred tax assets	3,096	1,072	—	(541)	3,627
Fiscal 2016:					
Allowance for doubtful accounts receivable	$ 18	$ —	$ 1	$ (2)	$ 17
Valuation allowance on deferred tax assets	3,237	283	1	(425)	3,096
Fiscal 2015:					
Allowance for doubtful accounts receivable	$ 14	$ 2	$ 3	$ (1)	$ 18
Valuation allowance on deferred tax assets	1,706	1,627	1	(97)	3,237

Exhibit 10.6

TE CONNECTIVITY LTD.
EMPLOYEE STOCK PURCHASE PLAN
AS AMENDED AND RESTATED November 13, 2017

ARTICLE 1 – PURPOSE

The TE Connectivity Ltd. Employee Stock Purchase Plan (the "Plan") is created for the purpose of encouraging stock ownership by officers and employees of TE Connectivity Ltd. and its subsidiaries (the "Company") so that they may share in the growth of the Company by acquiring or increasing their proprietary interest in the Company.

ARTICLE 2 – ADMINISTRATION OF THE PLAN

The Plan will be administered by the Management Development and Compensation Committee (the "Committee") of the Board of Directors of the Company or its designee. The interpretation and construction by the Committee or its designee of any provision of the Plan shall be final unless otherwise determined by the Board of Directors. The Committee or its designee may adopt, from time to time, such rules and regulations, as it deems appropriate for carrying out the Plan. No member of the Committee or the Committee's designee shall be liable for any action or determination made in good faith with respect to the Plan.

ARTICLE 3 – ELIGIBLE EMPLOYEES

The Senior Vice President, Human Resources of TE Connectivity will, from time to time, determine which of the Company's employees (including employees of the Company's subsidiaries and divisions) will be eligible to participate in the Plan. All officers who are employees of the Company will be eligible to participate in the Plan, unless otherwise determined by the Senior Vice President, Human Resources of TE Connectivity. Eligible employees who elect to participate in the Plan shall hereinafter be referred to as "Participants."

Notwithstanding the foregoing, any employee who sells Shares purchased under the Plan within three months of the date of purchase shall be precluded from participating in the Plan for the next 12 months.

ARTICLE 4 – SHARES TO BE PURCHASED

The stock subject to purchase under the Plan is 6,000,000 shares (subject to adjustment in the event of stock splits, stock dividends, recapitalization, or similar adjustment in the Company's common stock) of the common stock of the Company (the "Shares"). At the discretion of the Company, Shares purchased on behalf of Plan Participants (a) will be purchased on the open market or (b) will be issued to the Plan by the Company and allocated to Plan Participants from newly-issued shares or from shares ("Treasury Shares") acquired by the Company, any Subsidiary or any other person or entity designated by the Company, including the Company's treasury shares.

ARTICLE 5 – PAYROLL DEDUCTIONS

Participants, upon entering the Plan, shall authorize payroll deductions to be made for the purchase of Shares. The maximum deduction shall not, on a per pay period basis, exceed a Participant's after-tax pay. Generally, bonus earnings are excluded from ESPP deductions unless as otherwise authorized by local management. The Participant may authorize increases or decreases in the amount of payroll deductions. In order to effect such a change in the amount of the payroll deductions, the Company must receive notice of such change in the manner specified by the Company and changes will take effect as soon as administratively possible. The Company will accumulate and hold for the Participant's account the amounts deducted from his/her pay. No interest shall be paid on such amounts. In the event that payroll deductions are either prohibited under local law or otherwise deemed to be administratively burdensome, the Company may accept employee contributions to the Plan in such other form as is deemed appropriate.

Notwithstanding any other provision in the Plan to the contrary, the maximum annual employee contribution for employees who are subject to the reporting and short-swing profit provisions of Section 16 of the Securities and Exchange Act of 1934 shall be $25,000.

ARTICLE 6 – EMPLOYER CONTRIBUTION

The Company will match each employee's contribution by contributing to the Plan an additional fifteen percent (15%) of the employee's payroll deduction. The Company matching contribution will be paid on employee contributions made to the Plan up to a maximum annual contribution of $40,000 (US). For purposes of determining the Company's maximum annual contribution in countries outside the United States, the U.S. dollar equivalent of the $40,000 employee contribution (or other designated annual employee contribution) for any calendar year will be based on the exchange rate in effect on the first business day of December of the prior calendar year. The Committee, from time to time, may increase or decrease the percentage of the Company's contribution to the Participant's payroll deduction if the interests of the Company so require. The matching contributions hereunder are not intended to be entitled or part of the regular compensation of any Participant. The Company will pay all commissions relating to the purchase of the Shares under the Plan, and the Company will pay all administrative costs associated with the implementation and operation of the Plan.

ARTICLE 7 – AUTHORIZATION FOR ENTERING THE PLAN

An eligible employee may enter the Plan by enrolling in the Plan and specifying his/her contribution amount in the manner authorized by the Company. Such authorization will take effect as of the next practicable payroll period. Unless a Participant authorizes changes to his/her payroll deductions in accordance with Article 5 or withdraws from the Plan, his/her deductions under the latest authorization on file with the Company shall continue from one payment period to the succeeding payment period as long as the Plan remains in effect.

ARTICLE 8 – PURCHASE OF SHARES

All Shares purchased under the Plan which are purchased on the open market shall be purchased by a broker designated, from time to time, by the Committee. On a monthly basis, as soon as practicable following the month end, the Company shall remit the total of contributions to the broker for the purchase of the Shares. The broker will then execute the purchase order and the Plan Administrator shall allocate Shares (or fraction thereof) to each participant's individual recordkeeping account. In the event the purchase of Shares takes place over a number of days and at different prices, then each participant's allocation shall be adjusted on the basis of the average price per Share over such period.

All Shares issued to the Plan from newly-issued or Treasury Shares will be allocated to Participants' accounts as of the eighth trading day of the month and will be allocated based on the volume weighted average price of the Company's stock on the New York Stock exchange on such date.

ARTICLE 9 – ISSUANCE OF SHARES

The Shares purchased under the Plan shall be held by the Plan Administrator or its nominee. Participants shall receive periodic statements that will evidence all activity in the accounts that have been established on their behalf. Such statements will be issued by the Plan Administrator or its nominee. In the event a Participant wishes to hold certificates in his/her own name, the Participant must instruct the Plan Administrator or its nominee independently and bear the costs associated with the issuance of such certificates and pay, if required, a fee for each certificate so issued. Fractional Shares shall be liquidated on a cash basis only in lieu of the issuance of certificates for such fractional Shares upon the employee's withdrawal.

ARTICLE 10 – AUTOMATIC DIVIDEND REINVESTMENT

Any dividends paid to Participants for Shares purchased under the Plan and held by the Plan Administrator shall be automatically reinvested in the Shares of the Company.

ARTICLE 11 – SALE OF SHARES PURCHASED UNDER THE PLAN

Each Participant may sell at any time all or any portion of the Shares acquired under the Plan and held by the Plan Administrator by notifying the Plan Administrator, or its designee, who will direct the broker to execute the sale on behalf of the Participant. The Participant shall pay the broker's commission and any other expenses incurred with regard to the sale of the Shares. All such sales of the Shares will be subject to compliance with any applicable federal or state securities, tax or other laws. Each participant assumes the risk of any fluctuations in the market price of the Shares.

ARTICLE 12 – WITHDRAWAL FROM THE PLAN

A Participant may cease making contributions to the Plan at any time by changing his/her payroll deduction to zero as described in Article 5. In order to execute a sale of all or part of the Shares purchased under the Plan and held by the Plan Administrator, the Participant must contact the Plan Administrator, or its designee, directly. If the Participant desires to withdraw from the Plan by liquidating all or part of his/her shareholder interest, he/she shall receive the proceeds from the sale thereof, minus the commission and other expenses on such sale.

ARTICLE 13 – NO TRANSFER OR ASSIGNMENT

A Participant's right to purchase Shares under the Plan through payroll deduction is his/hers alone and may not be transferred or assigned to, or availed of, by any other person.

ARTICLE 14 – TERMINATION OF EMPLOYEE RIGHTS

All of the employee's rights under the Plan will terminate when he/she ceases to be an eligible employee due to retirement, resignation, death, termination, or any other reason. A notice of withdrawal will be deemed to have been received from a Participant on the day of his/her final payroll deduction. If a Participant's payroll deductions are interrupted by any legal process, a withdrawal notice will be deemed as having been received on the day the interruption occurs.

In the event of the employee's termination of employment for any reason, a Participant will be required to:

1. Sell any shares remaining in the Participant's account; or
2. Transfer all remaining whole shares to an individual brokerage account; or
3. Whole shares will be held by the Company's Transfer Agent in the form designated by the Transfer Agent.

Any fractional shares remaining in the Participant's account will be sold and the proceeds will be sent to the Participant.

If a Participant does not take action within 60 days of notification by the Plan Administrator, his/her shares will be issued as designated by the Company's Transfer Agent as described in option 3 above. The Participant will be sent a communication from the Company's Transfer Agent confirming the shares are being held by them and details around how to transact on those shares in the future. The Participant will also receive a check equal to the proceeds from the sale of fractional shares, less applicable transaction and handling fees.

ARTICLE 15 – TERMINATION AND AMENDMENT TO THE PLAN

The Plan may be terminated at any time by the Company's Board of Directors if the interests of the Company so require. Upon such termination, or any other termination of the Plan, all payroll deductions not used to purchase Shares will be refunded. The Board of Directors also reserves the right to amend the Plan, from time to time, in any respect and authorizes the Committee to approve amendments to the Plan on its behalf.

ARTICLE 16 – LOCAL TAX LAWS

If the provisions of the Plan contradict local tax laws, the local tax laws shall prevail.

Exhibit 10.8

TE Connectivity Ltd.
2007 Stock and Incentive Plan

TERMS AND CONDITIONS
OF
STOCK OPTION AWARD

< XXXX >

STOCK OPTION AWARD made as of [XXXX] (the "Grant Date").

1. **Grant of Stock Option.** TE Connectivity Ltd. (the "Company") has granted you a Stock Option to purchase [XXXX] Shares, subject to the provisions of this Award Agreement, including any special terms and conditions for your country in the appendix attached hereto (the "Appendix"). This Stock Option is a nonqualified Stock Option.

2. **Exercise Price.** The purchase price per Share underlying the Stock Option is $[XX.XX] (the "Exercise Price").

3. **Vesting.** The Stock Option will vest and become exercisable in four equal installments, with the first installment on the first November 15 that is at least twelve (12) months from the Grant Date and the remaining three installments on the following three anniversaries of the first vesting date (the "Normal Vesting Terms").

4. **Term of the Stock Option.** Unless the Stock Option is earlier forfeited or cancelled, the Stock Option must be exercised before the close of the New York Stock Exchange ("NYSE") on the day that is the 10^{th} anniversary of the Grant Date, and if the NYSE is not open for business on the Expiration Date, the Stock Option will expire at the close of the NYSE's prior business day (the "Expiration Date").

5. **Termination of Employment.**

(a) Any portion of the Stock Option that has not vested as of your Termination of Employment, other than as set forth under Sections 6, 7, 8 and 9 herein, will be immediately forfeited, and your rights with respect to such portion of the Stock Option will end.

(b) You may exercise the portion of the Stock Option that has vested prior to your Termination of Employment by the earlier of (a) the Expiration Date, and (b) ninety (90) days from your Termination of Employment, subject to Sections 6, 7, 8 and 9 herein, as applicable.

6. **Retirement.**

(a) If, at the time of your Termination of Employment, you have attained age 55 and have completed at least five years of service, your Stock Option will vest and become exercisable pro rata (standard rounding to the nearest Share in full month increments) based on

(i) the number of whole months that you have completed from the Grant Date through the end of the month in which your Termination of Employment occurs, over the original number of months of the vesting period, times (ii) the total number of Shares subject to the Stock Option on the Grant Date minus (iii) the number of Shares subject to the Stock Option previously vested under the Normal Vesting Terms; provided, however, that you will not be entitled to the accelerated vesting under this Section 6 until you have completed at least one year of service following the Grant Date. Termination of Employment within one year of the Grant Date will result in the forfeiture of your Stock Option Award, except as otherwise provided for under Sections 7, 8, and 9 herein.

(b) If you meet the requirements for retirement described in Section 6(a) on or before your Termination of Employment, then any portion of the option that has vested as of the date of your Termination of Employment will expire on the earlier of (i) Expiration Date, and (ii) the third anniversary of your Termination of Employment due to retirement.

(c) Notwithstanding the foregoing, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable retirement treatment, which otherwise would apply to the Stock Option pursuant to this Section 6, being deemed unlawful and/or discriminatory, then the Company will not apply the favorable retirement treatment at the time of your termination and the Stock Option will be treated as they would under the rules that otherwise would have applied as if your termination did not qualify as a retirement pursuant to this Section 6.

7. **Death or Disability.**

(a) If your Termination of Employment is a result of your death or Disability, any unvested portion of the Stock Option will immediately vest and become exercisable, and your Option will expire on the earlier of (i) Expiration Date, and (ii) the third anniversary of your Termination of Employment.

8. **Change in Control.** Except as may be otherwise provided by the Committee, if your employment is terminated following a Change in Control, your Stock Option (or any other form of equity award or compensation that replaces your Stock Option as a result of the Change in Control) will immediately become fully vested, and you will be entitled to exercise the Stock Option until the earlier of (x) the Expiration Date or (y) the third anniversary of your Termination of Employment, provided that:

(a) your employment is terminated by the Company or, if different, the Subsidiary employing you (the “Employer”), for any reason other than Cause, Disability or death in the twelve (12) month period following the Change in Control; or

(b) you terminate your employment with the Company or the Employer after one of the following events within the twelve (12) month period following the Change in Control:

i. the Company or the Employer (1) assigns or causes to be assigned to you duties inconsistent in any material respect with your position as in effect immediately prior to the Change in Control; (2) makes or causes to be made any material adverse change in your position, authority, duties or responsibilities; or (3) takes or causes to be taken any other action which, in your reasonable judgment, would cause you to violate your ethical or professional obligations (after written notice of such judgment has been provided by you to the Company or the Employer and the Company or the Employer has been given a 15-day period within which to cure such action), or which results in a significant diminution in such position, authority, duties or responsibilities; or

ii. the Company or the Employer, without your consent, (1) requires you to relocate to a principal place of employment more than 50 miles from your existing place of employment; or (2) materially reduces your base salary, annual bonus, or retirement, welfare, stock incentive, perquisite (if any) and other benefits taken as a whole (collectively, a "Change in Control Termination").

provided , however , that none of the events described in this sentence shall constitute a Change in Control Termination unless and until (w) you first notify the Company in writing describing in reasonable detail the condition which constitutes a Change in Control Termination within ninety (90) days of its occurrence, (x) the Company fails to cure such condition within thirty (30) days after the Company's receipt of such written notice, (y) notwithstanding such efforts, the condition continues to exist, and (z) you terminate employment within sixty (60) days after the end of such thirty (30)-day cure period.

9. **Termination of Employment as a Result of a Divestiture or Outsourcing.** If the business in which you are employed is being separated from the Company as a result of a Disposition of Assets, Disposition of a Subsidiary or an Outsourcing Agreement, and, as of the closing date of the applicable transaction you are designated in the transaction documents (either individually or by classification) as a "business employee" (or similar designation) who will be terminating employment with the Company and its Subsidiaries either because (i) you will remain with the separated business after the transaction or be transferred to the employment of the buyer or Outsourcing Agent as a result of the transaction; or (ii) you will not be offered continued employment by the Company or a Subsidiary, buyer or Outsourcing Agent after the close of the transaction, then your Stock Option Award will vest and become exercisable pro rata (standard rounding to the nearest Share in full-month increments) based on (a) the number of whole months that you have completed from Grant Date through the end of the month of the closing date of the applicable transaction over the original number of months of the vesting period, times (b) the total number of Shares subject to the Stock Option on the Grant Date minus (c) the number of Shares previously vested pursuant to the Normal Vesting Terms. If you become entitled to the pro rate vesting described in this Section 9, you will not be entitled to any further vesting in your Stock Option Award, unless you are transferred to employment with the Company or a Subsidiary in a position outside of the business that is being separated from the Company (with the intent of continued employment with the Company or a Subsidiary outside of the separated business) prior to your Termination of Employment as a result of the Disposition of Assets, Disposition of a Subsidiary or an Outsourcing Agreement. The vested portion of your Stock Option Award will expire on the earlier of (x) the Expiration Date and (y) the third anniversary of your Termination of Employment.

Notwithstanding the foregoing, you shall not be eligible for such pro rata vesting and extended expiration date if (i) your Termination of Employment occurs on or prior to the closing date of such Disposition of Assets or Disposition of a Subsidiary, as applicable, or on such later date as is specifically provided in the applicable transaction agreement or related agreements, or on the effective date of such Outsourcing Agreement applicable to you (the "Applicable Employment Date"), and (ii) you are offered Comparable Employment with the buyer, successor company or outsourcing agent, as applicable, but do not commence such employment on the Applicable Employment Date.

For the purpose of this Section 9, (i) "Comparable Employment" shall mean employment at a base salary rate and bonus target that is at least equal to the base salary rate and bonus target in effect immediately prior to your Termination of Employment and at a location that is no more than 50 miles from your existing place of employment; (ii) "Disposition of Assets" shall mean the disposition by the Company or a Subsidiary of all or a portion of the assets used by the Company or Subsidiary in a trade or business to an unrelated corporation or entity; (iii) "Disposition of a Subsidiary" shall mean the disposition by the Company or a Subsidiary of its interest in a Subsidiary to an unrelated individual or entity, provided that such Subsidiary ceases to be a Subsidiary as a result of such disposition; and (iv) "Outsourcing Agreement" shall mean a written agreement between the Company or a Subsidiary and an unrelated third party ("Outsourcing Agent") pursuant to which (a) the Company transfers the performance of services previously performed by employees of the Company or Subsidiary to the Outsourcing Agent, and (b) the Outsourcing Agreement includes an obligation of the Outsourcing Agent to offer employment to any employee whose employment is being terminated as a result of or in connection with said Outsourcing Agreement.

10. **Payment of Exercise Price.** To exercise the Stock Option, you must pay the Exercise Price for the Shares underlying the exercised portion of the Stock Option. You may pay the Exercise Price in cash, or by certified check, bank draft, wire transfer or postal or express money order. You may also pay the Exercise Price by using one or more of the following methods: (i) delivering to the Company or its agent a properly executed exercise notice, together with irrevocable instructions to a broker to deliver promptly (within the typical settlement cycle for the sale of equity securities on the relevant trading market, or otherwise in accordance with Regulation T issued by the Federal Reserve Board) to the Company sale or loan proceeds adequate to satisfy the portion of the Exercise Price being so paid; (ii) if expressly approved by the Committee, tendering to the Company (by physical delivery or attestation) or its agent certificates of Shares that you have held for six months or longer (unless the Committee, in its discretion, waives this six-month period) and that have an aggregate Fair Market Value as of the day prior to the date of exercise that is enough to satisfy the Exercise Price and any applicable taxes being so paid; or (iii) if such form of payment is expressly authorized by Board or Committee, instructing the Company to withhold Shares that would otherwise be issued were the Exercise Price to be paid in cash and that have an aggregate Fair Market Value as of the date of exercise that is enough to satisfy the Exercise Price and any applicable taxes being so paid. Notwithstanding the foregoing, you may not tender any form of payment that the Company determines, in its sole and absolute discretion, could violate any law or regulation. You are not required to purchase all Shares subject to the Stock Option at one time, but you must pay the full Exercise Price for all Shares that you elect to purchase before they will be delivered.

11. **Exercise of Stock Option.** Subject to the terms and conditions of this Award Agreement, the Stock Option may be exercised by contacting the stock plan administrator. If the Stock Option is exercised after your death, the Company will deliver Shares only after the

Committee or its designee has determined that the person exercising the Stock Option is the duly appointed executor or administrator of your estate or the person to whom the Stock Option has been transferred by your will or by the applicable laws of descent and distribution.

12. **Responsibility for Taxes.** Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“Tax-Related Items”), by accepting the Award, you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax- Related Items in connection with any aspect of the Stock Option, including, but not limited to, the grant, vesting or exercise of the Stock Option, the issuance of Shares upon exercise of the Stock Option, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Stock Option to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

(1) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer;

(2) withholding from proceeds of the sale of Shares acquired upon exercise of the Stock Option either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization); or

(3) withholding in Shares to be issued upon exercise of the Stock Option.

The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you will have no entitlement to the Shares equivalent to any over-withheld amount in cash.

Finally, you shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

13. **Transfer of Stock Option.** You may not transfer any interest in the Stock Option except by will or the laws of descent and distribution. Any other attempt to dispose of your interest in the Stock Option will be null and void.

14. **Covenant; Forfeiture of Award; Agreement to Reimburse Company** .

(a) If you have been terminated for Cause, any Stock Option shall be immediately rescinded and, in addition, you hereby agree and promise immediately to deliver to the Company the number of Shares (or, in the discretion of the Committee, the cash value of said Shares) you received for Stock Options that were exercised during the period of six months prior to your termination through the date of termination.

(b) If, after your termination, the Committee determines in its sole discretion that while you were an employee of the Company or a Subsidiary you engaged in activity that would have constituted grounds for the Company or Subsidiary to terminate your employment for Cause, then the Company will immediately rescind any vested but unexercised portion of the Option and you will immediately forfeit any and all rights you have remaining on the date the Committee makes such determination with respect to the Option. In addition, you hereby agree and promise immediately to deliver to the Company the number of Shares (or, in the discretion of the Committee, the cash value of said Shares) you received for Stock Options that were exercised during the period of six months prior to your termination through the date of termination.

(c) If the Committee determines, in its sole discretion, that at anytime after your Termination of Employment and prior to the second anniversary of your Termination of Employment you (i) disclosed business confidential or proprietary information related to any business of the Company or Subsidiary or (ii) have entered into an employment or consultation arrangement (including any arrangement for employment or service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business and (a) such employment or consultation arrangement would likely (in the sole judgment of the Committee) result in the disclosure of business confidential or proprietary information related to any business of the Company or a Subsidiary to a business that is competitive with any Company or Subsidiary business as to which you have had access to business strategic or confidential information, and (b) the Committee has not approved the arrangement in writing, then any Option that you have not exercised (whether vested or unvested) will immediately be rescinded, and you will forfeit any rights you have with respect to these Options as of the date of the Committee's determination. In addition, you hereby agree and promise immediately to deliver to the Company, Shares (or, in the discretion of the Committee, cash) equal in value to the amount of any profit you realized upon an exercise of the Option during the period beginning six (6) months prior to your Termination of Employment and ending on the Committee's determination date.

(d) The Committee shall be entitled to require that you repay all or part of any amount received (whether in cash or Shares) pursuant to the terms of this Award (i) to the extent it deems it necessary or appropriate to comply with any current or future rules of the Securities Exchange Commission, the NYSE or any other governmental agency, as they may be amended from time to time, (ii) to the extent it deems it necessary or appropriate to comply with the requirements of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law, regulation or stock exchange listing requirement, as may be in effect from time to time, or (iii) to the extent otherwise deemed appropriate by the Committee to recover any overpayment or mistaken payment that was based on deficient financial information, and you hereby agree and promise to promptly remit to the Company any such amount.

15. **Adjustments.** In the event of any stock split, reverse stock split, dividend or other distribution (whether in the form of cash, Shares, other securities or other property), extraordinary cash dividend, recapitalization, merger, consolidation, split-up, spin-off, reorganization, combination, repurchase or exchange of Shares or other securities, the issuance of warrants or other rights to purchase Shares or other securities, or other similar corporate transaction or event, the Committee shall adjust the number and kind of Shares covered by the Stock Option, the Exercise Price and other relevant provisions to the extent necessary to prevent dilution or enlargement of the benefits or potential benefits intended to be provided by the Stock Option.

16. **Restrictions on Exercise.** Exercise of the Stock Option is subject to the conditions that, to the extent required at the time of exercise, (a) the Shares underlying the Stock Option will be duly listed, upon official notice of issuance, upon the NYSE, and (b) a Registration Statement under the U.S. Securities Act of 1933, as amended, with respect to the Shares will be effective or an exemption from registration will apply. The Company will not be required to deliver any Shares until all applicable federal, state, foreign and local laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel of the Company.

17. **Insider Trading; Market Abuse Laws.** By accepting the Award, you acknowledge that you have read and understand the Company's insider trading policy, and are aware of and understand your obligations under federal securities laws in respect of trading in the Company's securities. The Company will have the right to recover, or receive reimbursement for, any compensation or profit realized on the exercise of the Stock Option or the disposition of Shares received upon exercise of the Stock Option to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

Y ou acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (*e . g* ., Stock Option) or rights linked to the value of Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws or regulations in your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Keep in mind third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

18. **Plan Terms Govern.** The exercise of the Stock Option, the disposition of any Shares received upon exercise of the Stock Option, and the treatment of any gain on the disposition of these Shares are subject to the terms of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Award Agreement. Capitalized terms used in this Award Agreement have the meaning set forth in the Plan, unless otherwise stated in this Award Agreement. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the Plan will control. By accepting the Award, you acknowledge receipt of the Plan, as in effect on the date of this Award Agreement.

19. **Data Privacy.** By accepting the Award, you hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement and any other grant materials by and among, as applicable, the Company, your Employer and any other Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Stock Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to any third parties assisting the Company with the implementation, administration and management of the Plan. You understand that these recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States you may request a list with the names and addresses of any potential recipients of Data by contacting your local Human Resources Representative. You authorize the Company and the recipients assisting the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local Human Resources Representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke the consents, your employment or service with the Employer will not be affected; the only consequence of refusing or withdrawing the consents is that the Company would not be able to grant Stock Options or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources Representative.

20. **Nature of Grant** . By accepting the Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Stock Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Stock Options, or benefits in lieu of Stock Options, even if Stock Options have been granted repeatedly in the past;

(c) all decisions with respect to future Stock Option grants, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan shall not be interpreted to form an employment contract or relationship with the Company or any Subsidiary nor create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time;

(e) you are voluntarily participating in the Plan;

(f) the Stock Option and the Shares subject to the Stock Option, and the value of and income from same, are not intended to replace any pension rights or compensation;

(g) the Stock Option and the Shares subject to the Stock Option, and the value of and income from same, are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) if the underlying Shares do not increase in value, the Stock Option will have no value;

(j) if you exercise the Stock Option and obtain Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;

(k) in consideration of the Stock Option Award, no claim or entitlement to compensation or damages shall arise from forfeiture of the Stock Option resulting from termination of your employment with the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws); and except where expressly prohibited under applicable laws, you irrevocably release the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you shall be deemed irrevocably to have waived your entitlement to pursue such claim; (l) the Stock Option and the Shares subject to the Stock Option, and the value of and income from same, are not granted as consideration for, or in connection with, any service you may provide as a director of any Subsidiary;

(m) the Stock Option and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(n) you have no rights as a stockholder of the Company pursuant to the Stock Option until you exercise the Stock Option and Shares are actually delivered to you; and

(o) if you reside outside the United States,

(A) the Stock Option and the Shares subject to the Stock Option, and the value of and income from same, are not part of normal or expected compensation or salary for any purpose; and

(B) neither the Company, the Employer, nor any other Subsidiary will be liable for any foreign exchange rate fluctuation between any local currency and the U.S. dollar that may affect the value of the Stock Options, any amounts due to you pursuant to the exercise of the Stock Option or the subsequent sale of any Shares acquired upon exercise.

21. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, the exercise of your Stock Option or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

22. **Incorporation of Other Agreements.** This Award Agreement and the Plan constitute the entire understanding between you and the Company regarding the Stock Option. This Award Agreement supersedes any prior agreements, commitments or negotiations concerning the Stock Option.

23. **Severability.** The invalidity or unenforceability of any provision of this Award Agreement will not affect the validity or enforceability of the other provisions of this Award Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.

24. **Language.** You acknowledge that you are sufficiently proficient in English to understand the terms and conditions of the Award Agreement. Furthermore, if you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

25. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

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26. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on your participation in the Plan, on the Stock Option Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

27. **Governing Law and Venue** . The Award Agreement is to be governed by and construed in accordance with the laws of Switzerland, without regard to the conflict of laws principles thereof.

For purposes of litigating any dispute that arises under this grant or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Pennsylvania and agree that such litigation shall be conducted in the courts of Chester County, Pennsylvania, or the federal courts for the United States for the Eastern District of Pennsylvania, where this Award is made and/or to be performed.

28. **Waiver** . You acknowledge that a waiver by the Company of breach of any provision of the Award Agreement will not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by you or any other Participant.

29. **Appendix** . Notwithstanding any provisions in the Award Agreement, the Stock Option will be subject to any special terms and conditions for your country set forth in the Appendix attached hereto. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of the Award Agreement.

30. **Foreign Asset/Account Reporting; Exchange Control Requirements** . Certain applicable foreign asset and/or foreign account reporting requirements and exchange controls may affect your ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on Shares acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You may also be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You acknowledge that you are responsible for complying with any applicable regulations, and that you should speak to your personal legal advisor for any details.

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By accepting this Award, you agree to the following:

(i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Award Agreement and the Plan; and

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(ii) you understand and agree that this Award Agreement and the Plan constitute the entire understanding between you and the Company regarding the Stock Option, and that any prior agreements, commitments or negotiations concerning the Stock Option are replaced and superseded.

Terrence R. Curtin
Chief Executive Officer,
TE Connectivity

APPENDIX

TO THE

TERMS AND CONDITIONS

OF

STOCK OPTION AWARD

UNDER THE

TE CONNECTIVITY LTD.

2007 STOCK AND INCENTIVE PLAN

Capitalized terms not specifically defined in this Appendix have the same meaning assigned to them in the Plan and/or the Award Agreement to which this Appendix is attached.

Terms and Conditions

This Appendix includes additional terms and conditions that govern the grant of Stock Options in your country. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the grant but prior to the vesting and/or exercise of the Stock Options, or are considered a resident of another country for local law purposes, the Company may, in its discretion, determine to what extent the additional terms and conditions contained herein will apply to you.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities and other laws in effect in the respective countries as of September 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the vesting or exercise of the Stock Options, receipt of any dividends or the subsequent sale of the Shares. In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the Stock Options are granted to you, or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you.

UNITED STATES

Terms and Conditions

Restrictive Covenants. Notwithstanding anything in the Award Agreement to the contrary, by accepting the Award, you acknowledge, understand and agree to the following provisions:

(a) **Restrictions on Solicitation of Company's Employees.** You agree that during your employment with your Employer, the Company and any Subsidiary and for a period of 12 months following your Termination of Employment, for any reason, you will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee or contract/temporary employee of the Company or any of its Subsidiaries to leave his/her employment with the Company or respective Subsidiary, or to otherwise hire or employ any employee of Company or any of its Subsidiaries who at any time worked for, under, or with you.

The following provisions apply to all US employees except for those whose work site is in California:

(a) **Restrictions On Competition.** You agree that during the period of your employment with your Employer, the Company and any Subsidiary and for a period of 12 months following your Termination of Employment, for any reason, you will not, in any country of the world in which you have done business on behalf of your Employer, the Company or any Subsidiary at any time during the last 12 months prior to the date of your Termination of Employment, engage in or enter into any kind of employment or gainful occupation, directly or indirectly, in any Competing Business where your responsibilities include the manufacture, sale, purchasing, research, development, or business plans of any product, process, function or service which is directly competitive with or similar to any Company or Subsidiary product, process, function or service that your were exposed to within 12 months prior to your Termination of Employment. For purposes of this Agreement, the term "Competing Business" shall mean any person or other entity which sells or attempts to sell any products or services which are the same as or similar to the products and services sold, leased or otherwise distributed by Company or any Subsidiary at any time during the last 12 months prior to your Termination of Employment, or which has under development a product or service that is in competition with a product or service, whether existing or under development, of Company or any Subsidiary.

(b) **Restrictions on Solicitation of Company's Customers.** You agree that during your employment with your Employer, Company and any Subsidiary and for 12 months following your Termination of Employment, for any reason, you will not directly or indirectly encourage any customers or suppliers to refrain from or stop doing business with the Company or any Subsidiary, either on your behalf or on behalf of any other party or entity.

Exhibit 10.10

TE Connectivity Ltd.
2007 Stock and Incentive Plan

TERMS AND CONDITIONS
OF
RESTRICTED UNIT AWARD

< XXXX >

RESTRICTED UNIT AWARD made as of [XXXX] (the “Grant Date”).

1. **Grant of Award.** TE Connectivity Ltd. (the “Company”) has granted you [XXX] Restricted Units, subject to the provisions of this Award Agreement, including any special terms and conditions for your country in the appendix attached hereto (the “Appendix”). The Company will hold the Restricted Units in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.

2. **Payment Amount.** Each Restricted Unit represents one share of common stock of the Company (the “Share”).

3. **Form of Payment.** Vested Restricted Units will be settled solely in Shares, subject to Section 16 herein and any special terms and conditions set forth in the Appendix.

4. **Dividends and Dividend Equivalents.** Restricted Units are a promise to deliver Shares upon vesting. For each Restricted Unit that is unvested, you will be credited with a Dividend Equivalent Unit (the “DEU”) for any cash or stock dividends distributed by the Company on its Shares. DEUs will be calculated at the same dividend rate paid to other holders of Shares. The number of DEUs to be credited to your account upon payment of a dividend will be equal to the quotient produced by dividing the cash value of the dividend earned on the Restricted Units by the fair market value of the Shares, defined as the closing price per Share as quoted on the New York Stock Exchange (the “NYSE”) on the date the dividend is paid. DEUs will vest and be delivered in the form of Shares in accordance with the vesting and payment schedules applicable to the underlying Restricted Units.

5. **Time of Delivery.** Except as otherwise provided for in this Award Agreement, Shares issuable upon vesting of the Restricted Units and DEUs will be delivered to you in whole Shares rounding down for any fractional Shares as soon as is administratively feasible following the date of vesting set forth in Section 6 or other applicable vesting date or event set forth in this Award Agreement, except as otherwise set forth in Section 24.

6. **Normal Vesting.** Your Restricted Unit Award will vest in four equal installments, with the first installment on the first November 15 that is at least twelve (12) months from the Grant Date and the remaining three installments on the following three anniversaries of the first vesting date (the “Normal Vesting Terms”). The value of the vested shares will be the average of the high and low of the stock price reported on the date of vesting.

7. **Termination of Employment.** Any Restricted Units and DEUs that have not vested as of your Termination of Employment, other than as set forth under Sections **8, 9, 10 and 11 herein,** will immediately be forfeited, and your rights with respect to those Restricted Units and DEUs will end.

8. **Death or Disability.** If your Termination of Employment is a result of your death or Disability, your Restricted Unit Award will immediately become fully vested and Shares issuable upon vesting of the Restricted Units and DEUs will be delivered in accordance with Section 5. If you are deceased, the Company will deliver Shares to your estate immediately after the Committee or its designee has determined the duly appointed executor or administrator of your estate.

9. **Retirement.** If, at the time of your Termination of Employment, you have attained age 55 and have completed at least five years of service, your Restricted Unit Award will vest pro rata (standard rounding to the nearest Unit, in full-month increments) based on (i) the number of whole months that you have completed from the Grant Date through the end of the month in which your Termination of Employment occurs, over the original number of months of the vesting period, times (ii) the total number of Restricted Units awarded on the Grant Date minus (iii) the number of Restricted Units previously vested under the Normal Vesting Terms; provided, however, that you will not be entitled to the accelerated vesting under this Section 9 until you have completed at least one year of service following the Grant Date. Termination of Employment within twelve (12) months of the Grant Date will result in the forfeiture of your Restricted Unit Award, except as otherwise provided for under Sections 7, 8, 10, and 11 herein. Shares issuable for any portion of your Restricted Unit Award and DEUs that vest pursuant to this Section 9 will be delivered in accordance with Section 5.

Notwithstanding the foregoing, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable retirement treatment, which otherwise would apply to the Restricted Units pursuant to this Section 9, being deemed unlawful and/or discriminatory, then the Company will not apply the favorable retirement treatment at the time of your Termination of Employment and the Restricted Units will be treated as they would under the rules that otherwise would have applied as if your Termination of Employment did not qualify as a retirement pursuant to this Section 9.

10. **Change in Control.** Except as may be otherwise provided by the Committee, if your employment is terminated following a Change in Control, as defined in the Plan, your Restricted Unit Award (or any other form of equity award or compensation that replaces your Restricted Unit Award as a result of the Change in Control) will immediately become fully vested, provided that:

(a) your employment is terminated by the Company or, if different, the Subsidiary employing you (the “Employer”) for any reason other than Cause, Disability or death in the twelve (12)-month period following the Change in Control; or

(b) you terminate your employment with the Company or the Employer after one of the following events within the twelve (12)-month period following the Change in Control:

i. the Company or the Employer (1) assigns or causes to be assigned to you duties inconsistent in any material respect with your position as in effect immediately prior to the Change in Control; (2) makes or causes to be made any material adverse change in your position, authority, duties or responsibilities; or (3) takes or causes to be taken any other action which, in your reasonable judgment, would cause you to violate your ethical or professional obligations (after written notice of such judgment has been provided by you to the Company or the Employer and the Company or the Employer has been given a 15-day period within which to cure such action), or which results in a significant diminution in such position, authority, duties or responsibilities; or

ii. the Company or the Employer, without your consent, (1) requires you to relocate to a principal place of employment more than 50 miles from your existing place of employment; or (2) materially reduces your base salary, annual bonus, or retirement, welfare, stock incentive, perquisite (if any) and other benefits taken as a whole (collectively, a "Change in Control Termination");

provided , however , that none of the events described in this sentence shall constitute a Change in Control Termination unless and until (w) you first notify the Company in writing describing in reasonable detail the condition which constitutes a Change in Control Termination within ninety (90) days of its occurrence, (x) the Company fails to cure such condition within (thirty) 30 days after the Company's receipt of such written notice, (y) notwithstanding such efforts, the condition continues to exist, and (z) you terminate employment within sixty (60) days after the end of such (thirty) 30-day cure period. Shares issuable for any portion of your Restricted Unit Award that vests pursuant to this Section 10 and DEUs will be delivered in accordance with Section 5.

11. **Termination of Employment as a Result of a Divestiture or Outsourcing** . If the business in which you are employed is being separated from the Company as a result of a Disposition of Assets, Disposition of a Subsidiary or an Outsourcing Agreement, and, as of the closing date of the applicable transaction you are designated in the transaction documents (either individually or by classification) as a "business employee" (or similar designation) who will be terminating employment with the Company its Subsidiaries either because (i) you will remain with the separated business after the transaction or be transferred to the employment of the buyer or Outsourcing Agent as a result of the transaction, or (ii) you will not be offered continued employment by the Company or a Subsidiary, buyer or Outsourcing Agent after the close of the transaction, then your Restricted Unit Award will vest pro rata (standard rounding to the nearest Unit in full-month increments) and Shares and DEUs issuable upon vesting of the Restricted Units will be delivered as soon as administratively feasible after the closing date of the transaction, unless the Award is subject to the requirements of Section 409A of the Code, in which case the Shares and DEUs will not be distributed until the earlier of the next Normal Vesting date or your separation from service with a TE Subsidiary. The pro rata vesting will be based on (i) the number of whole months that you have completed from the Grant Date through the end of the month of the closing date of the applicable transaction over the original number of months of the vesting period, times (ii) the total number of Units awarded on the Grant Date minus (iii) the number of Units previously vested pursuant to the Normal Vesting Terms. If you become entitled to the pro rata vesting described in this Section 11, you will not be entitled to any further vesting in your Restricted Unit Award, unless you are transferred to employment

with the Company or a Subsidiary in a position outside of the business that is being separated from the Company (with the intent of continued employment with the Company or a Subsidiary outside of the separated business) prior to your Termination of Employment as a result of the Disposition of Assets, Disposition of a Subsidiary or an Outsourcing Agreement.

Notwithstanding the foregoing, you shall not be eligible for such pro rata vesting if, (i) your Termination of Employment occurs on or prior to the closing date of such Disposition of Assets or Disposition of a Subsidiary, as applicable, or on such later date as is specifically provided in the applicable transaction agreement or related agreements, or on the effective date of such Outsourcing Agreement applicable to you (the “Applicable Employment Date”), and (ii) you are offered Comparable Employment with the buyer, successor company or outsourcing agent, as applicable, but do not commence such employment on the Applicable Employment Date.

For the purposes of this Section 11, (a) “Comparable Employment” shall mean employment at a base salary rate and bonus target that is at least equal to the base salary rate and bonus target in effect immediately prior to your Termination of Employment and at a location that is no more than 50 miles from your existing place of employment; (b) “Disposition of Assets” shall mean the disposition by the Company or a Subsidiary of all or a portion of the assets used by the Company or Subsidiary in a trade or business to an unrelated corporation or entity; (c) “Disposition of a Subsidiary” shall mean the disposition by the Company or a Subsidiary of its interest in a Subsidiary to an unrelated individual or entity, provided that such Subsidiary ceases to be a Subsidiary as a result of such disposition; and (d) “Outsourcing Agreement” shall mean a written agreement between the Company or a Subsidiary and an unrelated third party (“Outsourcing Agent”) pursuant to which the Company transfers the performance of services previously performed by employees of the Company or Subsidiary to the Outsourcing Agent, and the Outsourcing Agreement includes an obligation of the Outsourcing Agent to offer employment to any employee whose employment is being terminated as a result of or in connection with said Outsourcing Agreement.

12. **Responsibility for Taxes.** Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“Tax-Related Items”), by accepting the Award, you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax- Related Items in connection with any aspect of the Restricted Units, including, but not limited to, the grant, vesting or settlement of the Restricted Units, the issuance of Shares upon settlement of the Restricted Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any DEUs; and (2) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Restricted Units to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

(1) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer;

(2) withholding from proceeds of the sale of Shares acquired upon vesting of the Restricted Units either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization); or

(3) withholding in Shares to be issued upon vesting of the Restricted Units;

provided, however, that if you are a Section 16 officer under the Exchange Act, then the Company will withhold in Shares upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case the obligation for Tax-Related Items may be satisfied by one or a combination of methods (1) and (2) above.

The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you will have no entitlement to the Shares equivalent to any over-withheld amount in cash. Notwithstanding the foregoing, to avoid a prohibited acceleration under Section 409A of the Code, if Shares are withheld to satisfy any Tax-Related Items arising prior to the date of settlement of the Restricted Units for any portion of the Award that is subject to Section 409A, the number of Shares withheld will not exceed the number of Shares that equals the liability for the Tax-Related Items. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Restricted Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

Finally, you shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

13. **Transfer of Award.** You may not transfer any interest in the Restricted Units except by will or the laws of descent and distribution. Any other attempt to dispose of your interest in the Restricted Units will be null and void.

14. **Covenant; Forfeiture of Award; Agreement to Reimburse Company.**

(a) If you have been terminated for Cause, any Restricted Units shall be immediately rescinded and, in addition, you hereby agree and promise immediately to deliver to the Company the number of Shares (or, in the discretion of the Committee, the cash value of said Shares) you received for Restricted Units that vested during the period of six months prior to your Termination of Employment through the date of Termination of Employment.

(b) If, after your Termination of Employment, the Committee determines in its sole discretion that while you were an employee of the Company or a Subsidiary you engaged in activity that would have constituted grounds for the Company or Subsidiary to terminate your employment for Cause, then you hereby agree and promise immediately to deliver to the Company the number of Shares (or, in the discretion of the Committee, the cash value of said Shares) you received for Restricted Units that vested during the period of six months prior to your Termination of Employment through the date of termination.

(c) If the Committee determines, in its sole discretion, that at any time after your termination of employment and prior to the second anniversary of your termination of employment you (i) disclosed business confidential or proprietary information related to any business of the Company or Subsidiary or (ii) have entered into an employment or consultation arrangement (including any arrangement for employment or service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business and (A) such employment or consultation arrangement would likely (in the Committee's sole discretion) result in the disclosure of business confidential or proprietary information related to any business of the Company or a Subsidiary to a business that is competitive with any Company or Subsidiary business as to which you have had access to business strategic or confidential information, and (B) the Committee has not approved the arrangement in writing, then you hereby agree and promise immediately to deliver to the Company the number of Shares (or, in the discretion of the Committee, the cash value of said shares) you received for Restricted Stock Units that vested during the period six (6) months prior to your termination of employment through the date of termination of employment.

(d) The Committee shall be entitled to require that you repay all or part of any amount received (whether in cash or Shares) pursuant to the terms of this Award (i) to the extent it deems it necessary or appropriate to comply with any current or future rules of the Securities Exchange Commission, the NYSE or any other governmental agency, as they may be amended from time to time, (ii) to the extent it deems it necessary or appropriate to comply with the requirements of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law, regulation or stock exchange listing requirement, as may be in effect from time to time, or (iii) to the extent otherwise deemed appropriate by the Committee to recover any overpayment or mistaken payment that was based on deficient financial information, and you hereby agree and promise to promptly remit to the Company any such amount.

15. **Adjustments.** In the event of any stock split, reverse stock split, dividend or other distribution (whether in the form of cash, Shares, other securities or other property), extraordinary cash dividend, recapitalization, merger, consolidation, split-up, spin-off, reorganization, combination, repurchase or exchange of Shares or other securities, the issuance of warrants or other rights to purchase Shares or other securities, or other similar corporate transaction or event, the Committee shall adjust the number and kind of Shares covered by the

Restricted Units and other relevant provisions to the extent necessary to prevent dilution or enlargement of the benefits or potential benefits intended to be provided by the Restricted Units.

16. **Restrictions on Payment of Shares.** Payment of Shares for your Restricted Units is subject to the conditions that, to the extent required at the time of delivery, (a) the Shares underlying the Restricted Units will be duly listed, upon official notice of settlement, upon the NYSE, and (b) a Registration Statement under the U.S. Securities Act of 1933, as amended, with respect to the Shares will be effective. The Company will not be required to deliver any Shares until all applicable federal, state, foreign and local laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel of the Company.

17. **Insider Trading; Market Abuse Laws** . By accepting the Award, you acknowledge that you have read and understand the Company's insider trading policy, and are aware of and understand your obligations under federal securities laws in respect of trading in the Company's securities. The Company will have the right to recover, or receive reimbursement for, any compensation or profit realized on the disposition of Shares received for Restricted Units to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

You acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (*e* . *g* ., Restricted Units) or rights linked to the value of Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws or regulations in your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Keep in mind third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

18. **Plan Terms Govern.** The vesting and settlement of Restricted Units, the disposition of any Shares received for Restricted Units, and the treatment of any gain on the disposition of these Shares are subject to the terms of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Award Agreement. Capitalized terms used in this Award Agreement have the meaning set forth in the Plan, unless otherwise stated in this Award Agreement. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the Plan will control. By accepting the Award, you acknowledge receipt of the Plan, as in effect on the date of this Award Agreement.

19. **Data Privacy.** By accepting the Award, you hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as

described in this Award Agreement and any other grant materials by and among, as applicable, the Company, your Employer and any other Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (“Data”)., for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to any third parties assisting the Company with the implementation, administration and management of the Plan. You understand that these recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States you may request a list with the names and addresses of any potential recipients of Data by contacting your local Human Resources Representative. You authorize the Company and the recipients assisting the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States you may at any time view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local Human Resources Representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke the consents, your employment or service with the Employer will not be affected; the only consequence of refusing or withdrawing the consents is that the Company would not be able to grant Restricted Units or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources Representative.

20. **Nature of Grant** . By accepting the Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Restricted Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Units, or benefits in lieu of Restricted Units, even if Restricted Units have been granted repeatedly in the past;

(c) all decisions with respect to future Restricted Unit grants, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan shall not be interpreted to form an employment contract or relationship with the Company or any Subsidiary nor create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time;

(e) you are voluntarily participating in the Plan;

(f) the Restricted Units and the Shares subject to the Restricted Units, and the value of and income from same, are not intended to replace any pension rights or compensation;

(g) the Restricted Units and the Shares subject to the Restricted Units, and the value of and income from same, are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the grant of the Restricted Units, no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Units resulting from termination of your employment with the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws); and except where expressly prohibited under applicable law, you irrevocably release the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you shall be deemed irrevocably to have waived your entitlement to pursue such claim;

(j) the Restricted Units and the Shares subject to the Restricted Units, and the value of and income from same, are not granted as consideration for, or in connection with, any service you may provide as a director of any Subsidiary;

(k) the Restricted Units and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(l) payment of your Restricted Units is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of this Award or the account established on your behalf;

(m) you have no rights as a stockholder of the Company pursuant to the Restricted Units until Shares are actually delivered to you; and

(n) if you reside outside the United States,

(A) the Restricted Units and the Shares subject to the Restricted Units, and the value of and income from same, are not part of normal or expected compensation or salary for any purpose; and

(B) neither the Company, the Employer, nor any other Subsidiary will be liable for any foreign exchange rate fluctuation between any local currency and the U.S. dollar that may affect the value of the Restricted Units, any amounts due to you pursuant to the settlement of the Restricted Units or the subsequent sale of any Shares acquired upon settlement.

21. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

22. **Incorporation of Other Agreements.** This Award Agreement and the Plan constitute the entire understanding between you and the Company regarding the Restricted Units. This Award Agreement supersedes any prior agreements, commitments or negotiations concerning the Restricted Units.

23. **Severability.** The invalidity or unenforceability of any provision of this Award will not affect the validity or enforceability of the other provisions of the Award Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.

24. **Delayed Payment.** Notwithstanding anything in this Award Agreement to the contrary, if you (i) are subject to U.S. federal income tax on any part of the payment of the Restricted Units or DEUs, (ii) are a “specified employee” within the meaning of section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, and (iii) are or will become eligible for retirement prior to the Normal Vesting Terms of some or all of the Restricted Units and DEUs or the Award is otherwise considered an item of “nonqualified deferred compensation” subject to Section 409A of the Code, then any payment of Restricted Units and DEUs that is made on account of your separation from service within the meaning of section 409A(a)(2)(A)(i) of the Code and the regulations thereunder shall be delayed until six months following such separation from service.

25. **Language.** You acknowledge that you are sufficiently proficient in English to understand the terms and conditions of the Award Agreement. Furthermore, if you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

26. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

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27. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on your participation in the Plan on the Restricted Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

28. **Governing Law and Venue** . The Award Agreement is to be governed by and construed in accordance with the laws of Switzerland, without regard to the conflict of laws principles thereof.

For purposes of litigating any dispute that arises under this grant or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Pennsylvania and agree that such litigation shall be conducted in the courts of Chester County, Pennsylvania, or the federal courts for the United States for the Eastern District of Pennsylvania, where this Award is made and/or to be performed.

29. **Waiver.** You acknowledge that a waiver by the Company of breach of any provision of the Award Agreement will not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by you or any other Participant.

30. **Appendix** . Notwithstanding any provisions in the Award Agreement, the Restricted Unit Award will be subject to any special terms and conditions for your country set forth in the Appendix attached hereto. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of the Award Agreement.

31. **Foreign Asset/Account Reporting; Exchange Control Requirements** . Certain applicable foreign asset and/or foreign account reporting requirements and exchange controls may affect your ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on Shares acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You may also be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You acknowledge that you are responsible for complying with any applicable regulations, and that you should speak to your personal legal advisor for any details.

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By accepting this Award, you agree to the following:

(i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Award Agreement and the Plan; and

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(ii) you understand and agree that this Award Agreement and the Plan constitute the entire understanding between you and the Company regarding the Award, and that any prior agreements, commitments or negotiations concerning the Restricted Units are replaced and superseded.

Terrence R. Curtin
Chief Executive Officer,
TE Connectivity

APPENDIX
TO THE

TERMS AND CONDITIONS
OF
RESTRICTED UNIT AWARD

UNDER THE
TE CONNECTIVITY LTD.
2007 STOCK AND INCENTIVE PLAN

Capitalized terms not specifically defined in this Appendix have the same meaning assigned to them in the Plan and/or the Award Agreement to which this Appendix is attached.

Terms and Conditions

This Appendix includes additional terms and conditions that govern the grant of Restricted Units in your country. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the grant but prior to the vesting of the Restricted Units, or are considered a resident of another country for local law purposes, the Company may, in its discretion, determine to what extent the additional terms and conditions contained herein will apply to you.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities and other laws in effect in the respective countries as of September 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date when the Restricted Units or DEUs vest, the receipt of any dividends or the subsequent sale of the Shares. In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the Restricted Units are granted to you, or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you.

<u>**UNITED STATES**</u>

Terms and Conditions

Restrictive Covenants. Notwithstanding anything in the Award Agreement to the contrary, by accepting the Award, you acknowledge, understand and agree to the following provisions:

(a) **Restrictions on Solicitation of Company's Employees.** You agree that during your employment with your Employer, the Company and any Subsidiary and for a period of 12 months following your Termination of Employment, for any reason, you will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee or contract/temporary employee of the Company or any of its Subsidiaries to leave his/her employment with the Company or respective Subsidiary,or to otherwise hire or employ any employee of Company or any of its Subsidiaries who at any time worked for, under, or with you.

The following provisions apply to all US employees except for those whose work site is in California:

(a) **Restrictions On Competition.** You agree that during the period of your employment with your Employer, the Company and any Subsidiary and for a period of 12 months following your Termination of Employment, for any reason, you will not, in any country of the world in which you have done business on behalf of your Employer, the Company or any Subsidiary at any time during the last 12 months prior to the date of your Termination of Employment, engage in or enter into any kind of employment or gainful occupation, directly or indirectly, in any Competing Business where your responsibilities include the manufacture, sale, purchasing, research, development, or business plans of any product, process, function or service which is directly competitive with or similar to any Company or Subsidiary product, process, function or service that your were exposed to within 12 months prior to your Termination of Employment. For purposes of this Agreement, the term "Competing Business" shall mean any person or other entity which sells or attempts to sell any products or services which are the same as or similar to the products and services sold, leased or otherwise distributed by Company or any Subsidiary at any time during the last 12 months prior to your Termination of Employment, or which has under development a product or service that is in competition with a product or service, whether existing or under development, of Company or any Subsidiary.

(b) **Restrictions on Solicitation of Company's Customers.** You agree that during your employment with your Employer, Company and any Subsidiary and for 12 months following your Termination of Employment, for any reason, you will not directly or indirectly encourage any customers or suppliers to refrain from or stop doing business with the Company or any Subsidiary, either on your behalf or on behalf of any other party or entity.

Exhibit 10.13

TE Connectivity Ltd.
2007 Stock and Incentive Plan

TERMS AND CONDITIONS
OF
PERFORMANCE STOCK UNIT AWARD

< XXXX >

PERFORMANCE STOCK UNIT AWARD made as of [**XXXX**] (the "Grant Date").

1. **Grant of Award.** TE Connectivity Ltd. (the "Company") has granted you [XXX] Performance Stock Units (the "Target Award"), subject to the provisions of this Award Agreement, including the performance metrics set forth in Appendix A attached hereto and any special terms and conditions for your country as set forth in Appendix B attached hereto. The Company will hold the Performance Stock Units ("PSUs") in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.

2. **Payment Amount.** Each Performance Stock Unit represents one share of common stock of the Company (a "Share").

3. **Form of Payment.** Vested Performance Stock Units will be settled solely in Shares, subject to Section 16 herein and any special terms and conditions set forth in Appendix B.

4. **Performance Stock Units/Dividends.** Performance Stock Units are a promise to deliver Shares upon a specified delivery date, provided that certain vesting and performance requirements are met, as described in this Award Agreement and Appendix A. For each Performance Stock Unit that is unvested (based on the Target Award), you will be credited with a Dividend Equivalent Unit ("DEU") for any cash or stock dividends distributed by the Company on its Shares. DEUs will be calculated at the same dividend rate paid to other holders of Shares. The number of DEUs to be credited to your account upon payment of a dividend will be equal to the quotient produced by dividing the cash value of the dividend earned on the Target Award number of Performance Stock Units by the fair market value of the Shares, defined as the closing price per Share as quoted on the New York Stock Exchange (the "NYSE") on the date the dividend is paid. DEUs will vest and be delivered to you in the form of Shares in accordance with the vesting and payment schedules applicable to the underlying Performance Stock Units, and proportional to the actual number of Performance Stock Units that are earned and vested. Thus, the number of Shares delivered in conjunction with the DEUs credited to your Performance Stock Unit Award may be adjusted (upward or downward) to reflect the actual number of Performance Stock Units that are earned and vested.

5. **Time of Delivery.** Except as otherwise provided for in this Award Agreement, Shares issuable upon vesting of the Performance Stock Units and DEUs will be delivered to you in whole Shares rounding down for any fractional Shares as soon as is administratively feasible

following the delivery date specified in Section 6 below, except as otherwise set forth in Section 24.

6. **Normal Vesting.** Subject to the attainment of the performance metrics described in Appendix A and your continued employment other than as set forth in Sections 8, 10 or 11 below, your Performance Stock Unit Award will vest on the later of (a) the third anniversary of the Grant Date or (b) the "Certification Date" (as defined in Appendix A) for the performance results of the "Performance Cycle" (as defined in Appendix A). Except as provided in paragraphs 8, 9, 10 and 11 below, the Delivery Date of the Shares will be after the November 30 th following the end of the Performance Cycle, but in any case, no earlier than the Certification Date following the close of the Performance Cycle and no later than 90 days after such November 30 th. The value of the vested shares will be the average of the high and low of the stock price reported on the date of vesting.

7. **Termination of Employment.** Any Performance Stock Units and DEUs that have not vested as of your Termination of Employment, other than as set forth under Sections 8, 9, 10 and 11 herein, will immediately be forfeited, and your rights with respect to those Performance Stock Units and DEUs will end.

8. **Death or Disability.** If your Termination of Employment is a result of your death or Disability, your Performance Stock Unit Award will vest in full at 100% of the original target shares granted to you. Such vested Performance Stock Units and DEUs will be delivered to you as soon as administratively feasible following the date of Death or Disability event, but in no case after the later of the end of the calendar year in which the death or Disability occurs or two and a half months following the death or disability date. If you are deceased, the payment of your vested Performance Stock Units, consistent with the delivery timing described in the preceding sentence, will be made to your estate after the Committee or its designee has determined that the payee is the duly appointed executor or administrator of your estate.

9. **Retirement.** If, at the time of your Termination of Employment, you have attained age 55 and have completed at least five years of service, and you have performed satisfactorily, as determined in the sole discretion of your manager, and are not terminated for Cause, (a) your Performance Stock Unit Award will vest pro rata (standard rounding to the nearest Unit, in full-month increments) based on (i) the number of whole months that you have completed from the first day of the Performance Cycle through the end of the month in which your Termination of Employment occurs, divided by thirty-six (36), times (ii) the number of Performance Stock Units that are actually earned for the Performance Cycle in accordance with the terms of Appendix A; and (b) any remaining Performance Stock Units will be forfeited. Shares issuable for any portion of your Performance Stock Unit Award and DEUs that vest pursuant to this Section 9 will be delivered to you after the November 30 th following end of the Performance Cycle, but in any case, no earlier than the Certification Date for the performance results for the Performance Cycle and no later than ninety (90) days after such November 30 th. Notwithstanding the terms of this Section 9, a Termination of Employment within twelve (12) months of the Grant Date will result in the immediate forfeiture of your Performance Stock Unit Award, except as otherwise provided for under Sections 8, 10, or 11.

Notwithstanding the foregoing, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable retirement treatment, which otherwise would apply to the Performance Stock Units pursuant to this Section 9, being deemed unlawful and/or discriminatory, then the Company will not apply the favorable retirement treatment at the time of your Termination of Employment and the Performance Stock Units will be treated as they would under the rules that otherwise would have applied as if your Termination of Employment did not qualify as a retirement pursuant to this Section 9.

10. **Change in Control.** Except as may be otherwise provided by the Committee, if your employment is terminated following a Change in Control, as defined in the Plan, your Performance Stock Unit Award (or any other form of equity award or compensation that replaces your Performance Stock Unit Award as a result of the Change in Control) will immediately become fully vested at the Target Award, provided that:

(a) your employment is terminated by the Company or, if different, the Subsidiary employing you (the "Employer") for any reason other than Cause, Disability or death in the twelve (12)-month period following the Change in Control; or

(b) you terminate your employment with the Company or the Employer after one of the following events within the twelve (12)-month period following the Change in Control:

i. the Company or the Employer (1) assigns or causes to be assigned to you duties inconsistent in any material respect with your position as in effect immediately prior to the Change in Control; (2) makes or causes to be made any material adverse change in your position, authority, duties or responsibilities; or (3) takes or causes to be taken any other action which, in your reasonable judgment, would cause you to violate your ethical or professional obligations (after written notice of such judgment has been provided by you to the Company or the Employer and the Company or the Employer has been given a 15-day period within which to cure such action), or which results in a significant diminution in such position, authority, duties or responsibilities; or

ii. the Company or the Employer, without your consent, (1) requires you to relocate to a principal place of employment more than fifty (50) miles from your existing place of employment; or (2) materially reduces your base salary, annual bonus, or retirement, welfare, stock incentive, perquisite (if any) and other benefits taken as a whole (collectively, a "Change in Control Termination");

provided, however, that none of the events described in this sentence shall constitute a Change in Control Termination unless and until (w) you first notify the Company in writing describing in reasonable detail the condition which constitutes a Change in Control Termination within ninety (90) days of its occurrence, (x) the Company fails to cure such condition within thirty (30) days after the Company's receipt of such written notice, (y) notwithstanding such efforts, the condition continues to exist, and (z) you terminate employment within sixty (60) days after the end of such thirty (30)-day cure period.

If you meet the requirements described in the previous sentences, your Performance Stock Unit Award will vest in full at 100% of your Target Award (or any other equity or compensation award granted in replacement of your Performance Stock Unit Award as a result of the Change in Control, as applicable). Such vested Performance Stock Units (or other equity or compensation award granted in replacement of your Performance Stock Unit Award as a result of the Change in Control, as applicable) will be delivered on the later of (1) as soon as administratively practicable after your Change in Control Termination or (2) the date that is six months following your Termination of Employment.

11. **Termination of Employment as a Result of a Divestiture or Outsourcing.** If the business in which you are employed is being separated from the Company as a result of a Disposition of Assets, Disposition of a Subsidiary or an Outsourcing Agreement, and, as of the closing date of the applicable transaction you are designated in the transaction documents (either individually or by classification) as a business employee (or similar designation) who will be terminating employment with the Company or a Subsidiary either because (i) you will remain with the separated business after the transaction or be transferred to the employment of the buyer or Outsourcing Agent as a result of the transaction, or (ii) you will not be offered continued employment by the Company or a Subsidiary, buyer or Outsourcing Agent after the close of the transaction, then (a) your Performance Stock Unit Award will vest pro rata (standard rounding to the nearest Unit, in full-month increments) on the closing date based on (i) the number of whole months from the first day of the Performance Cycle through the closing date of the applicable transaction divided by thirty-six (36), times (ii) the Target Award number of Performance Stock Units and (b) any remaining Performance Stock Units will be forfeited. In the case of a Divestiture through a Disposition of Assets or an Outsourcing Agreement for participants who have not reached Retirement eligibility (as described in paragraph 9. above) as of the close of the Disposition of Assets or the Outsourcing Agreement date, such vested Performance Stock Units will be delivered as soon as administratively practicable following the close of the Divestiture. In no event will such vested shares be delivered after the later of the end of the calendar year in which the Divestiture takes place or the date that is two and a half months after the Divestiture closing date. In the case of a Divestiture through a Disposition of Assets or an Outsourcing Agreement for participants who have reached Retirement eligibility (as described in paragraph 9. above) as of the close Disposition of Assets or the Outsourcing Agreement date, such vested Performance Stock Units will be delivered after the November 30th following the end of the Performance Cycle, but in any case, no earlier than the Certification Date for the performance results for the Performance Cycle and no later than 90 days after such November 30th. In the case of a Divestiture through a Disposition of a Subsidiary, the vested Performance Stock Units will be delivered as soon as administratively practicable following the close of the Divestiture. In no event will such vested shares be delivered after the later of the end of the calendar year in which the Divestiture takes place or the date that is two and a half months after the Divestiture closing date. If you become entitled to the pro-rated vesting described in this Section 11, you will not be entitled to any further vesting in your Performance Stock Unit Award unless you are transferred to employment with the Company in a position outside of the business that is being separated from the Company (with the intent of continued employment with the Company outside of the separated business) after the closing date of the applicable transaction, but prior to

your Termination of Employment as a result of the Disposition of Assets, Disposition of a Subsidiary or an Outsourcing Agreement.

Notwithstanding the foregoing, you will not be eligible for such pro-rata vesting if, (i) your Termination of Employment occurs on or prior to the closing date of such Disposition of Assets or Disposition of a Subsidiary, as applicable, or on such later date as is specifically provided in the applicable transaction agreement or related agreements, or on the effective date of such Outsourcing Agreement applicable to you (the “Applicable Employment Date”), and (ii) you are offered Comparable Employment with the buyer, successor company or outsourcing agent, as applicable, but do not commence such employment on the Applicable Employment Date.

For the purposes of this Section 11, (a) “Comparable Employment” shall mean employment at a base salary rate and bonus target that is at least equal to the base salary rate and bonus target in effect immediately prior to your Termination of Employment and at a location that is no more than fifty (50) miles from your existing place of employment; (b) “Disposition of Assets” shall mean the disposition by the Company or a Subsidiary of all or a portion of the assets used by the Company or Subsidiary in a trade or business to an unrelated corporation or entity; (c) “Disposition of a Subsidiary” shall mean the disposition by the Company or a Subsidiary of its interest in a subsidiary or controlled entity to an unrelated individual or entity, provided that such subsidiary or entity ceases to be an affiliated company as a result of such disposition; and (d) “Outsourcing Agreement” shall mean a written agreement between the Company or a Subsidiary and an unrelated third party (“Outsourcing Agent”) pursuant to which the Company transfers the performance of services previously performed by employees of the Company or Subsidiary to the Outsourcing Agent, and the Outsourcing Agreement includes an obligation of the Outsourcing Agent to offer employment to any employee whose employment is being terminated as a result of or in connection with said Outsourcing Agreement.

12. **Responsibility for Taxes.** Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“Tax-Related Items”), by accepting the Award, you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax- Related Items in connection with any aspect of the Performance Stock Units, including, but not limited to, the grant, vesting or settlement of the Performance Stock Units, the issuance of Shares upon settlement of the Performance Stock Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any DEUs; and (2) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Performance Stock Units to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

(1) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer;

(2) withholding from proceeds of the sale of Shares acquired upon vesting of the Performance Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization); or

(3) withholding in Shares to be issued upon vesting of the Performance Stock Units;

provided, however, that if you are a Section 16 officer under the Exchange Act, then the Company will withhold in Shares upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case the obligation for Tax-Related Items may be satisfied by one or a combination of methods (1) and (2) above.

The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you will have no entitlement to the Shares equivalent to any over-withheld amount in cash. Notwithstanding the foregoing, to avoid a prohibited acceleration under Section 409A of the Code, if Shares are withheld to satisfy any Tax-Related Items arising prior to the date of settlement of the Performance Stock Units for any portion of the Award that is subject to Section 409A, the number of Shares withheld will not exceed the number of Shares that equals the liability for the Tax-Related Items. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Performance Stock Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

Finally, you shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

13. **Transfer of Award.** You may not transfer any interest in the Performance Stock Units except by will or the laws of descent and distribution. Any other attempt to dispose of your interest in the Performance Stock Units will be null and void.

14. **Covenant; Forfeiture of Award; Agreement to Reimburse Company.**

(a) If you have been terminated for Cause, any Performance Stock Units shall be immediately rescinded and, in addition, you hereby agree and promise immediately to deliver to the Company the number of Shares (or, in the discretion of the Committee, the cash value of said Shares) you received for Performance Stock Units that vested during the period six months prior to your Termination of Employment through the date of Termination of Employment.

(b) If, after your Termination of Employment, the Committee determines in its sole discretion that while you were an employee of the Company or a Subsidiary you engaged in activity that would have constituted grounds for the Company or Subsidiary to terminate your employment for Cause, then you hereby agree and promise immediately to deliver to the Company the number of Shares (or, in the discretion of the Committee, the cash value of said Shares) you received for Performance Stock Units that vested during the period six months prior to your Termination of Employment through the date of Termination of Employment.

(c) If the Committee determines, in its sole discretion, that at any time after your Termination of Employment and prior to the second anniversary of your Termination of Employment you (i) disclosed business confidential or proprietary information related to any business of the Company or Subsidiary or (ii) have entered into an employment or consultation arrangement (including any arrangement for employment or service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business and (A) such employment or consultation arrangement would likely (in the Committee's sole discretion) result in the disclosure of business confidential or proprietary information related to any business of the Company or a Subsidiary to a business that is competitive with any Company or Subsidiary business as to which you have had access to business strategic or confidential information, and (B) the Committee has not approved the arrangement in writing, then you hereby agree and promise immediately to deliver to the Company the number of Shares (or, in the discretion of the Committee, the cash value of said shares) you received for Performance Stock Units that vested during the period six (6) months prior to your Termination of Employment through the date of Termination of Employment.

(d) The Committee shall be entitled to require that you repay all or part of any amount received (whether in cash or Shares) pursuant to the terms of this Award (i) to the extent it deems it necessary or appropriate to comply with any current or future rules of the Securities Exchange Commission, the NYSE or any other governmental agency, as they may be amended from time to time, (ii) to the extent it deems it necessary or appropriate to comply with the requirements of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law, regulation or stock exchange listing requirement, as may be in effect from time to time, or (iii) to the extent otherwise deemed appropriate by the Committee to recover any overpayment or mistaken payment that was based on deficient financial information, and you hereby agree and promise to promptly remit to the Company any such amount.

15. **Adjustments.** In the event of any stock split, reverse stock split, dividend or other distribution (whether in the form of cash, Shares, other securities or other property), extraordinary cash dividend, recapitalization, merger, consolidation, split-up, spin-off, reorganization, combination, repurchase or exchange of Shares or other securities, the issuance of warrants or other rights to purchase Shares or other securities, or other similar corporate transaction or event, the Committee shall adjust the number and kind of Shares covered by the Performance Stock Units and other relevant provisions to the extent necessary to prevent dilution

or enlargement of the benefits or potential benefits intended to be provided by the Performance Stock Units.

16. **Restrictions on Payment of Shares.** Payment of Shares for your Performance Stock Units is subject to the conditions that, to the extent required at the time of delivery, (a) the Shares underlying the Performance Stock Units will be duly listed, upon official notice of redemption, upon the NYSE, and (b) a Registration Statement under the U.S. Securities Act of 1933, as amended, with respect to the Shares will be effective. The Company will not be required to deliver any Shares until all applicable federal, state, foreign and local laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel of the Company.

17. **Insider Trading; Market Abuse Laws** . By accepting the Award, you acknowledge that you have read and understand the Company's insider trading policy, and are aware of and understand your obligations under federal securities laws in respect of trading in the Company's securities. The Company will have the right to recover, or receive reimbursement for, any compensation or profit realized on the disposition of Shares received for Performance Stock Units to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

You acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (*e . g* ., Performance Stock Units) or rights linked to the value of Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws or regulations in your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Keep in mind third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

18. **Plan Terms Govern.** The vesting and settlement of Performance Stock Units, the disposition of any Shares received for Performance Stock Units, and the treatment of any gain on the disposition of these Shares are subject to the terms of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Award Agreement. Capitalized terms used in this Award Agreement have the meaning set forth in the Plan, unless otherwise stated in this Award Agreement. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the Plan will control. By accepting the Award, you acknowledge receipt of the Plan, as in effect on the date of this Award Agreement.

19. **Data Privacy** . By accepting the Award, you hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as

described in this Award Agreement and any other grant materials by and among, as applicable, the Company, your Employer and any other Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Performance Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to any third parties assisting the Company with the implementation, administration and management of the Plan. You understand that these recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States you may request a list with the names and addresses of any potential recipients of Data by contacting your local Human Resources Representative. You authorize the Company and the recipients assisting the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States you may at any time view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local Human Resources Representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke the consents, your employment or service with the Employer will not be affected; the only consequence of refusing or withdrawing the consents is that the Company would not be able to grant Performance Stock Units or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local Human Resources Representative.

20. **Nature of Grant** . By accepting the Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Performance Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Stock Units, or benefits in lieu of Performance Stock Units, even if Performance Stock Units have been granted repeatedly in the past;

(c) all decisions with respect to future Performance Stock Unit grants, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan shall not be interpreted to form an employment contract or relationship with the Company or any Subsidiary nor create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate your employment relationship at any time;

(e) you are voluntarily participating in the Plan;

(f) the Performance Stock Units and the Shares subject to the Performance Stock Units, and the value of and income from same, are not intended to replace any pension rights or compensation;

(g) the Performance Stock Units and the Shares subject to the Performance Stock Units, and the value of and income from same, are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) in consideration of the grant of the Performance Stock Units, no claim or entitlement to compensation or damages shall arise from forfeiture of the Performance Stock Units resulting from termination of your employment with the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws); and except where expressly prohibited under applicable law, you irrevocably release the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you shall be deemed irrevocably to have waived your entitlement to pursue such claim;

(j) the Performance Stock Units and the Shares subject to the Performance Stock Units, and the value of and income from same, are not granted as consideration for, or in connection with, any service you may provide as a director of any Subsidiary;

(k) the Performance Stock Units and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(l) payment of your Performance Stock Units is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of this Award or the account established on your behalf;

(m) you have no rights as a stockholder of the Company pursuant to the Performance Stock Units until Shares are actually delivered to you; and

(n) if you reside outside the United States,

(A) the Performance Stock Units and the Shares subject to the Performance Stock Units, and the value of and income from same, are not part of normal or expected compensation or salary for any purpose; and

(B) neither the Company, the Employer, nor any other Subsidiary will be liable for any foreign exchange rate fluctuation between any local currency and the U.S. dollar that may affect the value of the Performance Stock Units, any amounts due to you pursuant to the settlement of the Performance Stock Units or the subsequent sale of any Shares acquired upon settlement.

21. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

22. **Incorporation of Other Agreements.** This Award Agreement and the Plan constitute the entire understanding between you and the Company regarding the Performance Stock Units. This Award Agreement supersedes any prior agreements, commitments or negotiations concerning the Performance Stock Units.

23. **Severability.** The invalidity or unenforceability of any provision of this Award will not affect the validity or enforceability of the other provisions of the Award Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.

24. **Delayed Payment.** Notwithstanding anything in this Award Agreement to the contrary, if you (i) are subject to U.S. federal income tax on any part of the payment of the Performance Stock Units or DEUs, (ii) are a “specified employee” within the meaning of section 409A(a)(2)(B)(i) of the Code and the regulations thereunder, and (iii) are or will become eligible for retirement prior to the vesting terms (as set forth in Section 6 above) of some or all of the Performance Stock Units and DEUs or the Award is otherwise considered an item of “nonqualified deferred compensation” subject to Section 409A of the Code, then any payment of Performance Stock Units and DEUs that is made on account of your separation from service within the meaning of section 409A(a)(2)(A)(i) of the Code and the regulations thereunder shall be delayed until six months following such separation from service

25. **Language.** You acknowledge that you are sufficiently proficient in English to understand the terms and conditions of the Award Agreement. Furthermore, if you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

26. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and

agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

27. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on your participation in the Plan, including but not limited to such requirements as described in Appendix A, if applicable, on the Performance Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with applicable law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

28. **Governing Law and Venue** . The Award Agreement is to be governed by and construed in accordance with the laws of Switzerland, without regard to the conflict of laws principles thereof.

For purposes of litigating any dispute that arises under this grant or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Pennsylvania and agree that such litigation shall be conducted in the courts of Chester County, Pennsylvania, or the federal courts for the United States for the Eastern District of Pennsylvania, where this Award is made and/or to be performed.

29. **Waiver.** You acknowledge that a waiver by the Company of breach of any provision of the Award Agreement will not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by you or any other Participant.

30. **Country Specific Terms** . Notwithstanding any provisions in the Award Agreement, the Performance Stock Unit Award will be subject to any special terms and conditions for your country set forth in Appendix B attached hereto. Moreover, if you relocate to one of the countries included in Appendix B, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix B constitutes part of the Award Agreement.

31. **Foreign Asset/Account Reporting; Exchange Control Requirements** . Certain applicable foreign asset and/or foreign account reporting requirements and exchange controls may affect your ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on Shares acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You may also be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You acknowledge that you are responsible for complying with any applicable regulations, and that you should speak to your personal legal advisor for any details.

* * * * *

By accepting this Award, you agree to the following:

(i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Award Agreement and the Plan; and

(ii) you understand and agree that this Award Agreement and the Plan constitute the entire understanding between you and the Company regarding the Award, and that any prior agreements, commitments or negotiations concerning the Performance Stock Units are replaced and superseded.

Terrence R. Curtin
Chief Executive Officer,
TE Connectivity

APPENDIX A

PERFORMANCE METRICS APPLICABLE TO FISCAL YEAR 2018 PERFORMANCE STOCK UNIT AWARDS

1. Purpose — This Appendix A to the Award Agreement provides the terms and conditions of your Performance Stock Unit Award granted on [XXXX], 2017. The purpose of this Appendix A is to describe the terms under which you will earn Performance Stock Units granted to you under your Performance Stock Unit Award through the applicable Performance Cycle. (Note that the Shares earned under the Performance Stock Unit Award will not be delivered to you unless the applicable vesting requirements set forth in the Award Agreement are met.) For purposes of your Performance Stock Unit Award, the "Performance Cycle" is the three fiscal year period beginning with the first day of fiscal year 2018 and ending on the last day of fiscal year 2020.

2. Vesting — The vesting terms applicable to your Performance Stock Unit Award are described in the Award Agreement. This Appendix A describes how many PSUs you will earn pursuant to the performance metrics under Performance Stock Unit Award and that will be eligible to vest, provided that you also meet the applicable vesting requirements described in the Award Agreement.

3. Performance Metric — The performance metric which will be measured to determine how many PSUs will be earned and eligible to vest is the three-year average growth rate of adjusted earnings per share ("relative EPS performance") from continuing operations, evaluated over the three-year Performance Cycle. In determining the relative EPS performance, the Company will use the Diluted EPS before Abnormal Items data published in Bloomberg News for the companies included in the benchmark described below.

The relative EPS performance will be calculated by ranking the Company's three-year average EPS growth rate versus that of all eligible S&P 500 Non-Financial companies. The calculation of the Company's relative EPS performance will be conducted under written procedures adopted by the Committee at the time the Performance Stock Unit Award is granted. (The approved calculation procedures will be made available to you upon written request sent to Executive Compensation, Attention Director of Executive Compensation, 1050 Westlakes Drive, Berwyn, PA 19312, USA)

4. Determination of PSUs Earned — The number of PSUs earned over the Performance Cycle will be determined based on the Company's relative EPS performance for the Performance Cycle. The performance results, as determined at the end of the Performance Cycle based on the performance metric, will be applied to the Target Award . Depending on the Company's relative EPS performance during the Performance Cycle, 0% to 200% of the Target Award will vest, based on the following scale:

	Threshold	Target	Maximum
Performance Zone (relative EPS growth % ranking)	25 th	50 th	75 th
PSUs Earned (% of PSUs earned and eligible to vest)	50%	100%	200%

Performance results below the 25 th percentile result in zero PSUs earned for the Performance Cycle. Performance results between the 25th and 75 th percentile will be interpolated on a straight-line basis. Performance results at or above the 75 th percentile are capped at 200%.

5. Certification Date — The date on which the Committee certifies performance results at the end of the Performance Cycle is the Certification Date for purposes of the Award Agreement.

6. PSUs Earned — Once the Committee determines the number of PSUs that are earned based on the performance metric, that number of units will be credited to your Performance Stock Unit account and will be eligible to vest, subject to the other terms of this Award Agreement.

7. Committee Discretion — All decisions regarding the interpretation of your Performance Stock Unit Award and the calculation of Performance Stock Units earned under your Performance Stock Unit Award, including without limitation, any and all matters relating to the calculation of the Company's relative EPS performance, will be made in the sole and absolute discretion of the Committee. All determinations of the Committee will be final, binding and conclusive on all parties.

8. Governing Document — This Appendix A is incorporated into and constitutes a part of the Award Agreement.

APPENDIX B
TO THE

TERMS AND CONDITIONS
OF
PERFORMANCE STOCK UNIT AWARD

UNDER THE
TE CONNECTIVITY LTD.
2007 STOCK AND INCENTIVE PLAN

Capitalized terms not specifically defined in this Appendix B have the same meaning assigned to them in the Plan and/or the Award Agreement to which this Appendix B is attached.

Terms and Conditions

This Appendix B includes additional terms and conditions that govern the grant of Performance Stock Units in your country. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the grant but prior to the vesting of the Performance Stock Units, or are considered a resident of another country for local law purposes, the Company may, in its discretion, determine to what extent the additional terms and conditions contained herein will apply to you.

Notifications

This Appendix B also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities and other laws in effect in the respective countries as of September 2017. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date when the Performance Stock Units or DEUs vest, the receipt of any dividends or the subsequent sale of the Shares. In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the Performance Stock Units are granted to you, or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you.

UNITED STATES

Terms and Conditions

Restrictive Covenants. Notwithstanding anything in the Award Agreement to the contrary, by accepting the Award, you acknowledge, understand and agree to the following provisions:

(a) **Restrictions on Solicitation of Company's Employees.** You agree that during your employment with your Employer, the Company and any Subsidiary and for a period of 12 months following your Termination of Employment, for any reason, you will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee or contract/temporary employee of the Company or any of its Subsidiaries to leave his/her employment with the Company or respective Subsidiary,or to otherwise hire or employ any employee of Company or any of its Subsidiaries who at any time worked for, under, or with you.

The following provisions apply to all US employees except for those whose work site is in California:

(a) **Restrictions On Competition.** You agree that during the period of your employment with your Employer, the Company and any Subsidiary and for a period of 12 months following your Termination of Employment, for any reason, you will not, in any country of the world in which you have done business on behalf of your Employer, the Company or any Subsidiary at any time during the last 12 months prior to the date of your Termination of Employment, engage in or enter into any kind of employment or gainful occupation, directly or indirectly, in any Competing Business where your responsibilities include the manufacture, sale, purchasing, research, development, or business plans of any product, process, function or service which is directly competitive with or similar to any Company or Subsidiary product, process, function or service that your were exposed to within 12 months prior to your Termination of Employment. For purposes of this Agreement, the term "Competing Business" shall mean any person or other entity which sells or attempts to sell any products or services which are the same as or similar to the products and services sold, leased or otherwise distributed by Company or any Subsidiary at any time during the last 12 months prior to your Termination of Employment, or which has under development a product or service that is in competition with a product or service, whether existing or under development, of Company or any Subsidiary.

(b) **Restrictions on Solicitation of Company's Customers.** You agree that during your employment with your Employer, Company and any Subsidiary and for 12 months following your Termination of Employment, for any reason, you will not directly or indirectly encourage any customers or suppliers to refrain from or stop doing business with the Company or any Subsidiary, either on your behalf or on behalf of any other party or entity.

Exhibit 10.20

TE CONNECTIVITY LTD. 2010 STOCK AND INCENTIVE PLAN
AMENDED AND RESTATED MARCH 9, 2017

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(g) Severability

TE CONNECTIVITY LTD.
2010 STOCK AND INCENTIVE PLAN
(AMENDED AND RESTATED MARCH 9, 2017)

Section 1. *Purpose*

The purpose of the Plan is to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining employees, officers and non-employee Directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to compensate such persons through various stock-based arrangements and provide them with opportunities for the stock ownership in the Company, thereby aligning the interests of such persons with the Company's shareholders.

Section 2. *Definitions*

As used in the Plan, the following terms shall have the meanings set forth below:

(a) *"Affiliate"* shall mean (i) any entity that, directly or indirectly through one or more intermediaries, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in each case as determined by the Committee.

(b) *"Award"* shall mean any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Dividend Equivalent, Performance Award, Stock Award or Other Stock-Based Award granted under the Plan.

(c) *" Award Agreement"* shall mean any written agreement, contract or other instrument or document evidencing an Award granted under the Plan. An Award Agreement may be in an electronic medium and need not be signed by a representative of the Company or the Participant. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Committee.

(d) *"Board"* shall mean the Board of Directors of the Company.

(e) *"Change in Control"* means the first to occur of any of the following events:

(i) any "person" (as defined in Section 13(d) and 14(d) of the Exchange Act, excluding for this purpose, (A) the Company or any Subsidiary or (B) any employee benefit plan of the Company or any Subsidiary (or any person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan) that acquires beneficial ownership of voting securities of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly of securities of the Company representing more than 30 percent of the combined voting power of the Company's then outstanding securities; provided, however, that no Change in Control will be deemed to have occurred as a result of a change in ownership percentage resulting solely from an acquisition of securities by the Company; or

(ii) persons who, as of the Effective Date, constitute the Board (the "Incumbent Directors") cease for any reason (including without limitation, as a result of a tender offer, proxy contest, merger or similar transaction) to constitute at least a majority thereof, provided that any person becoming a Director of the Company subsequent to the Effective Date shall be considered an Incumbent Director if such person's election or nomination for election was approved by a vote of at least 50 percent of the Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened proxy contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a "person" (as defined in Section 13(d) and 14(d) of the Exchange Act) other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or

(iii) consummation of a reorganization, merger or consolidation or sale or other disposition of at least 80 percent of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners of outstanding voting securities of the Company immediately prior to such Business Combination beneficially own directly or indirectly more than 50 percent of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the company resulting from such Business Combination (including, without limitation, a company which, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the outstanding voting securities of the Company; or

(iv) consummation of a complete liquidation or dissolution of the Company; provided, however, that if and to the extent that any provision of this Plan or an Award Certificate would cause a payment of deferred compensation that is subject to Code Section 409A(a)(2) to be made upon the occurrence of a "Change in Control," or would change the timing and/or form of any payment of deferred compensation that is subject to Code Section 409A(a)(2) upon a specified date or event occurring after a "Change in Control" or upon a termination of employment following a Change in Control, then such payment shall not be made, or such change in timing or form of payment shall not occur, unless such "Change in Control" is also a "change in ownership or effective control" of the Company within the meaning of Code Section 409A(2)(A)(v) and applicable regulations and rulings thereunder and such payment, or such associated date or event, occurs no later than two years after the date of such "Change in Control."

(f) *"Code"* shall mean the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

(g) *"Committee"* shall mean the Management Development and Compensation Committee of the Board or any successor committee or subcommittee of the Board, which committee is comprised solely of two or more persons who are outside directors within the meaning of Section 162(m)(4)(C)(i) of the Code and the applicable regulations and nonemployee directors within the meaning of Rule 16b-3(b)(3) under the Exchange Act.

(h) *"Company"* shall mean TE Connectivity Ltd., a Swiss company, or any successor thereto.

(i) *"Director"* shall mean a member of the Board.

(j) *"Dividend Equivalent"* shall mean any right granted under section 6(d) of the Plan.

(k) *"Eligible Person"* shall mean any employee, officer or non-employee Director providing services to the Company or an Affiliate whom the Committee determines to be an Eligible Person, provided however, that any employee, officer or non-employee Director who was employed by or providing services to the Company or an Affiliate on December 8, 2010 shall not be eligible to be considered as an Eligible Person hereunder. An Eligible Person must be a natural person.

(l) *"Exchange Act"* shall mean the Securities Exchange Act of 1934, as amended.

(m) *"Fair Market Value"* of a Share shall mean the closing sales price on the New York Stock Exchange on the date as of which the determination of Fair Market Value is being made or, if no sale is reported for such day, on the next preceding day on which a sale of Shares was reported. Notwithstanding anything to the contrary herein, the Fair Market Value of a Share will in no event be determined to be less than par value.

(n) *"Incentive Stock Option"* shall mean an option granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code or any successor provision.

(o) *" Non -Qualified Stock Option"* shall mean an option granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.

(p) *"Option"* shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

(q) *"Other Stock-Based Award"* shall mean any right granted under Section 6(g) of the Plan.

(r) *"Participant"* shall mean an Eligible Person designated to be granted an Award under the Plan.

(s) *"Performance Award"* shall mean any right granted under Section 6(e) of the Plan.

(t) *"Performance Goal"* shall mean the business criteria selected by the Committee to measure the level of performance of the Company, business unit, business segment or other Company business group during a specified performance period, and gains or losses from the disposition of business or assets or from the early extinguishment of debt.

(u) *"Person"* shall mean any individual or entity, including a corporation, partnership, limited liability company, association, joint venture or trust.

(v) *"Plan"* shall mean this TE Connectivity Ltd. 2010 Stock and Incentive Plan, as amended and restated March 9, 2017.

(w) *"Prior Plans"* shall mean the ADC Telecommunications, Inc. 2010 Global Stock Incentive Plan, the ADC Telecommunications, Inc. 2008 Global Stock Incentive Plan, the ADC Telecommunications, Inc. 1991 Global Stock Incentive Plan and the ADC Telecommunications, Inc. Non-employee Director Stock Option Plan, as each of such plans has been amended from time to time.

(x) *"Restricted Stock"* shall mean any Share granted under Section 6(c) of the Plan.

(y) "Restricted Stock Unit" shall mean any unit granted under Section 6(c) of the Plan evidencing the right to receive a Share (or a cash payment equal to the fair Market Value of a Share) at some future date.

(z) " *Rule 16b-3* " shall mean Rule 16b-3 promulgated by the Securities and Exchange Commission under the Exchange Act or any successor rule or regulation.

(aa) *"Section 162(m)"* shall mean Section 162(m) of the Code and the applicable Treasury

Regulations promulgated thereunder.

(bb) *"Shares"* shall mean shares of common stock of the Company or such other securities or property as may become subject to Awards pursuant to an adjustment made under Section 4(c) of the Plan.

(cc) *"Specified Employee"* shall mean a "specified employee" as such term is defined in Section 409A(a)(2)(B) of the Code.

(dd) *"Stock Appreciation Right"* shall mean any right granted under Section 6(b) of the Plan.

(ee) *"Stock Award"* shall mean any Share granted under Section 6(f) of the Plan.

(ff) " *Cause* " means misconduct that is willfully or wantonly harmful to the Company or any of its Subsidiaries, monetarily or otherwise, including, without limitation, conduct that violates the Company's Code of Ethical Conduct.

(gg) " *Disabled* " or " *Disability* " means the inability of the Director or Employee to perform the material duties pertaining to such Director's directorship or such Employee's employment due to a physical or mental injury, infirmity or incapacity for 180 days (including weekends and holidays) in any 365-day period. The existence or nonexistence of a Disability shall be determined by an independent physician selected by the Company and reasonably acceptable to the Director or Employee. Notwithstanding the above, if and to the extent that any provision of this Plan or an Award Certificate would cause a payment of deferred compensation that is subject to Code Section 409A(a)(2) to be made upon the occurrence of a "Disability" or upon a person becoming "Disabled," or would cause a change in the timing or form of payment of such deferred compensation upon the occurrence of a "Disability" or upon a person becoming "Disabled," then such payment shall not be made, or such change in timing or form of payment shall not occur, unless such "Disability" or condition of being "Disabled" satisfies the requirements of Code Section 409A(2)(C) and applicable regulations and rulings thereunder.

Section 3. *Administration*

(a) *Power and Authority of the Committee* . The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and to applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or the method by which payments or other rights are to be calculated in connection with) each Award; (iv) determine the terms and conditions of any Award or Award Agreement; (v) amend the terms and conditions of any Award or Award Agreement; (vi) accelerate the exercisability of any Award or the lapse of restrictions relating to any Award; (vii) determine whether, to what extent and under what circumstances Awards may be exercised in cash, Shares, other securities, other Award or other property, or canceled, forfeited or suspended; (viii) determine whether, to what extent and under what circumstances cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder of the Award or the Committee; (ix) interpret and administer the Plan and any instrument or agreement, including any Award Agreement, relating to the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon any Participant, any holder or beneficiary of any Award or Award Agreement, and any employee of the Company or any Affiliate.

(b) *Delegation.* The Committee may delegate its powers and duties under the Plan to one or more Directors (including a Director who is also an officer of the Company) or a committee of Directors and may authorize one or more officers of the Company to grant Awards under the Plan, subject to such terms, conditions and limitations as the Committee may establish in its sole discretion; provided, however, that the Committee shall not delegate its powers and duties under the Plan (i) with regard to officers or directors of the Company or any Affiliate who are subject to Section 16 of the Exchange Act or (ii) in such a manner as would cause the Plan not to comply with the requirements Section 162(m).

(c) *Power and Authority of the Board of Directors.* Notwithstanding anything to the contrary contained herein, the Board may, at any time and from time to time, without any further action of the Committee, exercise the powers and duties of the Committee under the Plan, unless the exercise of such powers and duties by the Board would cause the Plan not to comply with the requirements of Section 162(m).

Section 4. *Shares Available for Awards*

(a) *Shares Available* . Subject to adjustment as provided in Section 4(c) of the Plan, the aggregate number of Shares that may be issued under all Awards under the Plan shall be the sum of (i) 9,700,000, and (ii) any Shares subject to any award under the Prior Plans that, after the effective date of this Plan, are not purchased or are forfeited or reacquired by the Company, or otherwise not delivered to the Participant due to termination or cancellation of such award. If any Shares covered by an Award or to which an Award relates are not purchased or are forfeited or are reacquired by the Company (including shares of Restricted Stock, whether or not dividends have been paid on such shares), or if an Award otherwise terminates or is cancelled without delivery of any Shares, then the number of Shares counted pursuant to Section 4(b) of the Plan against the aggregate number of Shares available under the Plan with respect to such Award, to the extent of any such forfeiture, reacquisition by the Company, termination or cancellation, shall again be available for granting Awards under the Plan. Shares that are (i) tendered by a Participant or withheld by the Company in payment of the exercise, base or purchase price relating to an Award, (ii) tendered by the Participant or withheld by the Company to satisfy any taxes or tax withholding obligations with respect to an Award, or (iii) not issued or delivered as a result of the net settlement of an outstanding Stock Option or Stock Appreciation Right under the Plan, as applicable, will not be available for future Awards under the Plan.

(b) *Accounting for Awards.* For purposes of this Section 4, if an Award entitles the holder thereof to receive or purchase Shares, the number of Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Shares available for Awards under the Plan. With respect to Options and Stock Appreciation Rights, the number of Shares available for Awards under the Plan shall be reduced by one Share for each Share covered by such Award or to which such Award relates. With respect to any Awards other than Options and Stock Appreciation Rights, the number of Shares available for Awards under the Plan shall be reduced by 1.21 Shares for each Share covered by such Award or to which such Award relates. For Stock Appreciation Rights settled in Shares upon exercise, the aggregate number of Shares with respect to which the Stock Appreciation Right is exercised, rather than the number of Shares actually issued upon exercise, shall be counted against the number of Shares available for Awards under the Plan. Awards that do not entitle the holder thereof to receive or purchase Shares and Awards that are settled in cash shall not be counted against the aggregate number of Shares available for Awards under the Plan.

(c) *Adjustments.* In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), extraordinary cash dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, reorganization, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or other property) that thereafter may be made the subject of Awards, (ii) the number and type of Shares (or other securities or other property) subject to outstanding Awards, (iii) the purchase or exercise price with respect to any Awards and (iv) the limitations contained in Section 4(d) of the Plan. Any such adjustment with respect to Nonqualified Stock Options and Stock Appreciation Rights shall satisfy the requirements of Treas. Reg. § 1.409A-1(b)(5)(v)(D) and otherwise ensure that such awards continue to be exempt from Code Section 409A, and any adjustment to Awards that are subject to Code Section 409A shall comply with Code Section 409A and the regulations and rulings thereunder. Any adjustment made by the Committee under this Section 4(c) will be conclusive and binding for all purposes under the Plan.

(d) *Award Limitations Under the Plan.*

(i) *Section 162(m) Limitation for Awards Denominated in Shares.* No eligible Person may be granted any Award or Awards denominated in Shares, for more than 3,000,000 Shares (subject to adjustment as provided for in Section 4(c) of the Plan), in the aggregate in any taxable year.

(ii) *Section 162(m) Limitation for Awards Denominated in Cash.* The maximum amount payable pursuant to all Qualified Performance Awards denominated in cash to any Participant in the aggregate in any taxable year shall be $25,000,000 in value, whether payable in cash, Shares or other property. This limitation contained in this Section 4(d)(ii) does not apply to any Award or Awards subject to the limitation contained in Section 4(d)(i). The limitation contained in this Section 4(d)(ii) shall apply only with respect to any Award or Awards granted under this Plan, and limitations on awards granted under any other shareholder approved incentive plan maintained by the Company will be governed solely by the terms of such other plan.

Section 5. *Eligibility.*

Any Eligible Person shall be eligible to be designated a Participant. In determining which Eligible Persons shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Eligible Persons, their present and potential contributions to the success of the Company or such other factors as the Committee, in its discretion, shall deem relevant. Notwithstanding the foregoing, an Incentive Stock Option may only be granted to full-time or part-time employees (which term as used herein includes, without limitation, officers and Directors who are also employees), and an Incentive Stock Option shall not be granted to an employee of an Affiliate unless such Affiliate is also a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code or any successor provision.

Section 6. *Awards* .

(a) *Options* . The Committee is hereby authorized to grant Options to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:

(i) *Exercise Price.* The purchase price per Share purchasable under an Option shall be determined by the Committee and shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option; provided, however, that the Committee may designate a per share exercise price below Fair Market Value on the date of grant (A) to the extent necessary or appropriate, as determined by the Committee, to satisfy applicable legal or regulatory requirements of a foreign jurisdiction or (B) if the Option is granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Company or an Affiliate.

(ii) *Option Term* . The term of each Option shall be fixed by the Committee but shall not be longer than 10 years from the date of grant.

(iii) *Time and Method of Exercise* . The Committee shall determine the time or times at which an Option may be exercised in whole or in part and the method or methods by which, and the form or forms (including, without limitation, cash, Shares, other securities, other Awards or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the applicable exercise price) in which, payment of the exercise price with respect thereto may be made or deemed to have been made.

(b) *Stock Appreciation Rights.* The Committee is hereby authorized to grant Stock Appreciation Rights to Eligible Persons subject to the terms of the Plan and any applicable Award Agreement. A Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive upon exercise thereof the excess of (i) the Fair Market Value of one Share on the date of exercise (or, if the Committee shall so determine, at any time during a specified period before or after the date of exercise) over (ii) the grant price of the Stock Appreciation Right as specified by the Committee, which price shall not be less than 100% of the Fair Market Value of one Share on the date of grant of the Stock Appreciation Right; provided, however, that the Committee may designate a per share grant price below Fair Market Value on the date of grant (A) to the extent necessary or appropriate, as determined by the Committee, to satisfy applicable legal or regulatory requirements of a foreign jurisdiction or (B) if the Stock Appreciation Right is granted in substitution for a stock appreciation right previously granted by an entity that is acquired by or merged with the Company or an Affiliate. Subject to the terms of the Plan and any applicable Award Agreement, the grant price, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions of any Stock Appreciation Right shall be as determined by the Committee. The term of any Stock Appreciation Right will be fixed by the Committee but shall not be longer than 10 years from the date of grant. The Committee may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it may deem appropriate.

(c) *Restricted Stock and Restricted Stock Units* . The Committee is hereby authorized to grant Awards of Restricted Stock and Restricted Stock units to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:

(i) *Restrictions* . Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or time, in such installments or otherwise, as the Committee may deem appropriate.

(ii) *Issuance and Delivery of Shares.* Any Restricted Stock granted under the Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of a stock certificate or certificates, which certificate or certificates shall be held by the Company. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the restrictions applicable to such Restricted Stock. Shares representing Restricted Stock that is no longer subject to restrictions shall be delivered to the Participant promptly after the applicable restrictions lapse or are waived. In the case of Restricted Stock Units, no Shares shall be issued at the time such Awards are granted. Upon the lapse or waiver of restrictions and the restricted period relating to Restricted Stock Units evidencing the right to receive Shares, such Shares shall be issued and delivered to the holder of the Restricted Stock Units.

(iii) *Forfeiture.* Except as otherwise determined by the Committee, upon a Participant's termination of employment or resignation or removal as a Director (in either case, as determined under criteria established by the Committee) during the applicable restriction period, all Shares of Restricted Stock and all Restricted Stock Units held by the Participant at such time shall be forfeited and reacquired by the Company; provided, however, that the Committee may, when it finds that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions with the respect to Shares of Restricted Stock or Restricted Stock Units.

(d) *Dividend Equivalents.* The Committee is hereby authorized to grant Dividend Equivalents to Eligible Persons under which the Participant shall be entitled to receive payments (in cash, Shares, other securities, other Awards or other property as determined in the discretion of the Committee) equivalent to the amount of cash dividends paid by the Company to holders of Shares with respect to a number of Shares determined by the Committee. Subject to the terms of the Plan and any applicable Award Agreement, such Dividend Equivalents may have such terms and conditions as the Committee shall determine. Notwithstanding the foregoing, (i) the Committee may not grant Dividend Equivalents to Eligible Persons in connection with grants of Options or Stock Appreciation Rights to such Eligible Persons, and (ii) no Dividend Equivalent payments shall be made to a Participant with respect to any Restricted Stock, Restricted Stock Units or Performance Award prior to the date on which all conditions or restrictions relating to such Awards have been satisfied, waived or lapsed.

(e) *Performance Awards* . (1) The Committee is hereby authorized to grant Performance Awards to Eligible Persons subject to the terms of the Plan and any applicable Award Agreement. A Performance Award granted under the Plan (i) may be denominated or payable in cash, Shares (including, without limitation, Restricted Stock and Restricted Stock Units), other securities, other Awards or other property, and (ii) shall confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of one or more objective Performance Goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan, the Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment to be made pursuant to any Performance Award and any other terms and conditions of any Performance Award shall be determined by the Committee.

(f) *Stock Awards.* The Committee is hereby authorized to grant to Eligible Persons Shares without restrictions thereon, as deemed by the Committee to be consistent with the purpose of the Plan. Subject to the terms of the Plan and any applicable Award Agreement, such Stock Awards may have such terms and conditions as the Committee shall determine.

(g) *Other Stock-Based Awards.* The Committee is hereby authorized to grant to Eligible Persons such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares (including, without limitation, securities convertible into Shares), as are deemed by the Committee to be consistent with the purpose of the Plan. The Committee shall determine the terms and conditions of such Awards, subject to the terms of the Plan and the Award Agreement. Shares, or other securities delivered pursuant to a purchase right granted under this Section 6(g), shall be purchased for consideration having a value equal to at least 100% of the Fair Market Value of such Shares or other securities on the date the purchase right is granted. The consideration paid by the Participant may be paid by such method or methods and in such form or forms (including, without limitation, cash, Shares, other securities, other Awards or other property, or any combination thereof), as the Committee shall determine.

(h) *General.*

(i) *Consideration for Awards* . Awards may be granted for no cash consideration or for any cash or other consideration as may be determined by the Committee or required by applicable law.

(ii) *Awards May Be Granted Separately or Together* . Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with or in substitution for any other Award or any award granted under any other plan of the Company or any Affiliate. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under any other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(iii) *Forms of Payment under Awards.* Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Company or an Affiliate upon the grant, exercise or payment of an Award may be made in such form or forms as the Committee shall determine (including, without limitation, cash, Shares, other securities, other Awards or other property, or any combination thereof), and may be made in a single payment or transfer, in installments or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents with respect to installment or deferred payments.

(iv) *Term of Awards.* The term of each Award shall be for a period not longer than 10 years from the date of grant.

(v) *Limits on Transfer of Awards.* Except as otherwise provided in this Section 6(h)(v), no Award (other than a Stock Award) and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution. The Committee may establish procedures as it deems appropriate for a Participant to designate a Person or Persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Award in the event of the Participant’s death. Each Award under the Plan or right under any such Award shall be exercisable during the Participant’s lifetime only by the Participant or, if permissible under applicable law, by the Participant’s guardian or legal representative. No Award (other than a Stock Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate.

(vi) *Restrictions; Securities Exchange Listing* . All Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such restrictions as the Committee may deem advisable under the Plan, applicable federal or state securities laws and regulatory requirements, and the Committee may cause appropriate entries to be made or legends to placed on the certificates for such Shares or other securities to reflect such restrictions. If the Shares or other securities are traded on a securities exchange, the Company shall not be required to deliver any Shares or other securities covered by an Award unless and until such Shares or other securities have been admitted for trading on such securities exchange.

(vii) *Prohibition on Option and Stock Appreciation Right Repricing.* Except as provided in Section 4(c) hereof, no Option may be amended to reduce its initial exercise price, and no Option shall be cancelled and replaced with an Option or Options having a lower exercise price. In addition, except as provided in Section 4(c) hereof, no Stock Appreciation Right may be amended to reduce its grant price, and no Stock Appreciation Right shall be cancelled and replaced with a Stock Appreciation Right having a lower grant price.

(viii) To the extent applicable, it is intended that the Plan and all Awards hereunder comply with, or be exempt from, the requirements of Section 409A of the Code and the Treasury Regulations and other guidance issued thereunder, and that the Plan and all Award Agreements shall be interpreted and applied by the Committee in a manner consistent with this intent in order to avoid the imposition of any additional tax under Section 409A of the Code. To the extent any Award granted under the Plan either qualifies for an exemption from the requirements of Section 409A of the Code or is subject to Section 409A of the Code, the Plan and the Award Certificate will be interpreted such that the Award qualifies for an exemption or, if Section 409A of the Code is applicable, in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan, in the event that the Committee determines that any Award may be subject to Section 409A of the Code, the Committee may adopt such amendments to the Plan and/or the applicable Award Certificate or adopt policies and procedures or take any other action or actions, including an action or amendment with retroactive effect, that the Committee determines is necessary or appropriate to (i) exempt the Award from the application of Section 409A of the Code or (ii) comply with the requirements of Section 409A of the Code. Any Award that provides for a payment to any Participant who is a "specified employee" of deferred compensation that is subject to Code Section 409A (a)(2) and that becomes payable upon, or that is accelerated upon, such Participant's Termination of Employment, shall not be made on or before the date which is six months following such Participant's Termination of Employment (or, if earlier, such Participant's death). A specified employee for this purpose shall be determined by the Committee or its delegate in accordance with the provisions of Code Section 409A and the regulations and rulings thereunder. If a grant under the Plan is subject to Section 409A of the Code, then (i) distributions shall only be made in a manner and upon an event permitted under Section 409A of the Code, (ii) payments to be made upon termination of employment shall only be made upon a "separation from service" under Section 409A of the Code, (iii) unless the grant agreement specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (iv) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except as permitted in accordance with Section 409A of the Code. Neither a Participant nor any of a Participant's creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A of the Code) payable under the Plan and grants of deferred compensation hereunder to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any deferred compensation (within the meaning of Section 409A of the Code) payable to a Participant or for a Participant's benefit under the Plan and grants of deferred compensation hereunder may not be reduced by, or offset against, any amount owing by a Participant to the Company or any of its affiliates. In any case, a Participant shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on a Participant or for a Participant's account in connection with the Plan and grants hereunder (including any taxes, interest and/or penalties under Section 409A of the Code), and neither

the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold a Participant harmless from any or all of such taxes, interest and/or penalties.

Section 7. *Amendments and Termination; Corrections.*

(a) *Amendments to the Plan* . The Board may amend, alter, suspend, discontinue, or terminate the Plan at any time; provided, however, that, notwithstanding any other provision of the Plan or any Award Agreement, prior approval of the shareholders of the Company shall be required for any amendment to the Plan that:

(i) requires shareholder approval under the rules or regulations of the Securities and Exchange Commission, the New York Stock exchange or any other securities exchange that are applicable to the Company;

(ii) increases the number of shares authorized under the Plan as specified in Section 4(a) of the Plan;

(iii) increases the number of shares or value subject to the limitations contained in Section 4(a) of the Plan;

(vi) permits repricing of Options or Stock Appreciation Rights which is prohibited by Section 6(h)(vii) of the Plan;

(vii) permits the award of Options or Stock Appreciation Rights at a price less that 100% of the Fair Market Value of a Share on the date of grant of such Option or Stock Appreciation Right, contrary to the provisions of Section 6(a)(i) and 6(b)(ii) of the Plan; and

(viii) would cause Section 162(m) of the Code to become unavailable with respect to the Plan.

(b) *Amendments to Awards.* Subject to the provisions of the Plan, the Committee may waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively. Except as otherwise provided in the Plan the Committee may amend, alter, suspend, discontinue or terminate any outstanding Award, prospectively or retroactively, but no such action may adversely affect the rights of the holder of such Award without the consent of the Participant or holder or beneficiary thereof.

(c) *Correction of Defects, Omissions, and Inconsistencies* . The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement in the manner and to the extent it shall deem desirable to implement or maintain the effectiveness of the Plan.

Section 8. *Income Tax Withholding* .

In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant. In order to assist a Participant in paying all or a portion of the applicable taxes to be withheld of collected upon exercise or receipt of (or the lapse of restrictions relating to) an Award, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit the Participant to satisfy such tax obligation by (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes or (b) delivering to the Company Shares other than Shares issuable upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes. The election, if any, must be made on or before the date that the amount of tax to be withheld is determined.

Section 9. *General Provisions* .

(a) *No Rights to Awards.* No Eligible Person, Participant or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Eligible Persons, Participants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.

(b) *Award Agreements.* No Participant shall have rights under an Award granted to such Participant unless and until an Award Agreement is issued to, and accepted by, the Participant.

(c) *No Rights of Shareholders.* Except with respect to Restricted Stock and Stock Awards, neither a Participant nor the Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company with respect to any Shares issuable upon the exercise or payment of any Award, in whole or part, unless the Shares have been issued.

(d) *No Limit on Other Compensation Plans or Arrangements.* Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation plans or arrangements, and such plans or arrangements may be either generally applicable or applicable only in specific cases.

(e) *No Right to Employment or Directorship.* The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee of the Company or any Affiliate, or a Director to be retained as a Director, nor will it affect in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time, with or without cause. In addition, the Company or an Affiliate may at any time dismiss a Participant from employment free from any liability or any claim under the Plan or any Award, unless otherwise expressly provided in the Plan or in Any Award Agreement.

(f) *Governing Law.* The Plan and all determinations made and actions taken under the Plan will be governed by the law of Switzerland and construed accordingly .

(g) *Severability.* If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction or Award, and the remainder of the Plan or any such Award shall remain in full force and effect.

(h) *No Trust or Fund Created* . Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater that the right of any unsecured general creditor of the Company or any Affiliate.

(i) *No Fractional Shares*. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash shall be paid in lieu of any fractional Share or whether such fractional Share or any rights thereto shall be canceled, terminated or otherwise eliminated.

(j) *Headings*. Heading are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 10. *Termination for Cause; Clawback.*

(a) Notwithstanding anything to the contrary herein, if a Participant incurs a Termination of Directorship or Termination of Employment for Cause, then all Stock Options, Stock Appreciation Rights, Annual Performance Bonuses, Long Term Performance Awards, Restricted Units, Restricted Stock and other Stock-Based Awards are subject to immediate cancellation at the discretion of the Company. The exercise of any Stock Option or Stock Appreciation Right or the payment of any Award may be delayed, in the Company's discretion, in the event that a potential termination for Cause is pending, subject to ensuring an exemption from or compliance with Code Section 409A and the underlying regulations and rulings. If a Participant incurs a Termination of Employment for Cause, or the Company becomes aware (after the Participant's Termination of Employment) of conduct on the part of the Participant that would be grounds for a Termination of Employment for Cause, then, as determined in the discretion of the Company, the Participant will be required to deliver to the Company (i) Shares (or, in the discretion of the Committee, cash) in an amount that is equal in value to the amount of any profit the Participant realized upon the exercise of an Option during the period beginning six (6) months prior to the Participant's Termination of Employment and ending on the two (2) year anniversary of such Termination of Employment; and (ii) the number of Shares (or, in the discretion of the Committee, the cash value of said shares) the Participant received for Restricted Shares, Restricted Units or other Stock-Based Awards that vested during the period described in (i) above.

(b) In addition, any Award Certificate (or any part thereof) may provide for the cancellation or forfeiture of an Award or the forfeiture and repayment to the Company of any gain related to an award, or other provisions intended to have a similar effect, upon such terms and conditions as may be determined by the Committee in accordance with any Company claw-back or forfeiture policy, as may be amended from time to time, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law, regulation or stock exchange listing requirement, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and recovery of amounts relating thereto. By accepting Awards under the Plan, Participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover or recoup any award or amount paid under this Plan subject to claw-back pursuant to such law, government regulation, stock exchange listing requirement or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover or recoup any award or amounts paid under this Plan from a Participant's accounts, or pending or future compensation awards.

(c) The Committee may, in its discretion, provide in an Award Certificate that if the Participant engages in acts that are deemed to be detrimental to the best interests of the Company, including without limitation, (i) any breach of the Company's Guide to Ethical Conduct or engagement in any other act that could result in the Participant's Termination of Employment for Cause, or (ii) the Participant's engagement in activities that are deemed to be competitive or potentially competitive to the interests of the Company or any Subsidiary, including entering into any employment or consultation arrangement with any entity or person engaged in any business in which the Company or any Subsidiary is engaged without prior written approval of the Company if, in the sole judgment of the Company, the business is competitive with the Company or any Subsidiary or business unit or such employment or consultation arrangement would present a risk that the Participant would likely disclose Company proprietary information (as determined by the Company), then the Participant's outstanding Awards can be forfeited and any profits realized or Shares delivered as a result of the payment, vesting or exercise of Awards before or after the Participant's Termination of Employment will be subject to forfeiture and reimbursement to the Company under such terms and conditions as are deemed appropriate by the Committee.

Section 11. *Effective date of the Plan; Effect on Prior Plans* .

The effective date of this amended and restated plan is March 9, 2017. The Plan was originally adopted by the Board of Directors of ADC Telecommunications, Inc. on November 19, 2009 and approved by ADC Telecommunications, Inc. shareholders on February 10, 2010. On and after February 10, 2010, no further awards were granted under the Prior Plans, but all outstanding awards previously granted under the Prior Plans shall remain outstanding. After shareholder approval of the Plan on February 10, 2010, such awards made under the Prior Plans shall be governed by the terms and conditions of the Plan, but any shares issued under such awards shall not be deemed to be issued under the Plan for purposes of Section 4(a).

Section 12. *Term of the Plan.*

The Plan shall terminate at midnight on February 9, 2020, unless terminated before then by the Board; provided however, that no Qualified Performance Award may be granted under the Plan after the fifth year following the year in which the shareholders of the Company approved the Performance Goals, unless and until the Performance Goals are reapproved by the shareholders. Awards may be granted under the Plan until the earlier to occur of the date of termination of the Plan or the date on which all Shares available for Awards under the Plan have been purchased or acquired. As long as any Awards are outstanding under the Plan, the terms of the Plan shall govern such Awards.

Exhibit 21.1

SUBSIDIARIES OF TE CONNECTIVITY LTD.

The following is a list of our subsidiaries as of November 10, 2017, omitting some subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary.

Argentina	TE Connectivity Argentina S.R.L. Tyco Networks (Argentina) S.R.L. Tyco Submarine Systems de Argentina S.A.
Australia	Clarebury Pty. Ltd. Grangehurst Enterprises Pty. Ltd. Morlynn Ceramics Pty. Ltd. TE Connectivity Australia Pty Ltd
Austria	Tyco Electronics Austria GmbH
Barbados	Corcom West Indies Limited TE Connectivity (Barbados) SRL
Belgium	Raychem Industries BVBA Tyco Electronics Belgium EC BVBA
Bermuda	Tyco Electronics Eta Limited Tyco Electronics Holdings (Bermuda) No. 7 Limited Tyco Electronics Lambda Tyco Global Networks Ltd. Tyco Telecommunications Ltd.
Brazil	Celis Eletrocomponentes Ltda. Seacon Produtos e Servicos Opticos e Eletricos Ltda. Tyco Electronics Brasil Ltda.
British Virgin Islands	Communication Expert International Investments Limited Kenabell Holding Limited
Canada	TE Connectivity ULC Tyco Electronics Canada ULC
Chile	Tyco Electronics Industrial Y Comercial Chile Limitada
China	ADC Telecommunications Equipment (Shanghai) Co., Ltd. Deutsch Connectors Manufacturing (Shanghai) Co., Ltd. Deutsch Connectors Trading (Shanghai) Co., Ltd. Hirschmann Car Communication (Shanghai) Co. Ltd. Intercontec Connector System (Shanghai) Co., Ltd. MEAS Shenzhen Limited Measurement Specialties (Chengdu) Ltd. Measurement Specialties (China) Ltd. Measurement Specialties (China) Ltd. Production Branch Measurement Technology (Chengdu) Ltd. Raychem Shanghai Cable Accessories Limited

	Raychem (Shanghai) Trading Ltd Shanghai CII Electronics Co., Ltd (50%) Shenzhen Century Man Communication Equipment Co., Ltd. Sibas Electronics (Xiamen) Co., Ltd. Taicang Speed & Spin Sensors Co., Ltd. TE Connectivity Connectors (Suzhou) Co., Ltd. TE Connectivity (Kunshan) Company Limited TE Connectivity (Suzhou) Co., Ltd. Tyco Electronics AMP Guangdong Ltd. Tyco Electronics AMP Qingdao Ltd. Tyco Electronics AMP Shanghai Ltd. (92.31%) Tyco Electronics (Dongguan) Ltd Tyco Electronics (Kunshan) Ltd. Tyco Electronics (Qingdao) Ltd. Tyco Electronics (Shanghai) Co., Ltd Tyco Electronics (Shenzhen) Co. Ltd. Tyco Electronics (Suzhou) Ltd. Tyco Electronics Technology (SIP) Ltd. Tyco Electronics (Zhuhai) Ltd Wema Environmental Technologies (Shanghai) Co., Ltd. Wema Environmental Technologies (Shenzhen) Co., Ltd.
Colombia	TE Connectivity Colombia S.A.S.
Costa Rica	Creganna Medical s.r.l. TechDevice Costa Rica Limitada
Cyprus	Acalon Holdings Limited Raychem Technologies Limited
Czech Republic	Tyco Electronics Czech s.r.o. Tyco Electronics EC Trutnov s.r.o.
Denmark	TE Connectivity (Denmark) ApS
Dominican Republic	Raychem Dominicana S.A.
Finland	Tyco Electronics Finland Oy
France	Carrier Kheops BAC Compagnie Deutsch Distribution Connecteurs Electriques Deutsch Deutsch Deutsch Group Hirschmann Car Communication S.A.S. MEAS Europe SAS MEAS France SAS Tyco Electronics France SAS Tyco Electronics Group S.A. (French Branch) Tyco Electronics Holding France Tyco Electronics Idento Tyco Electronics SIMEL SAS

Germany	Cablotec GmbH Car Communication Holding GmbH Comtec Systeme GmbH Hirschmann Car Communication GmbH TE Connectivity EMEA Holding GmbH TE Connectivity Germany GmbH TE Connectivity Industrial GmbH TE Connectivity Sensors Germany GmbH Tyco Electronics EC Verwaltungsgesellschaft mbH Tyco Electronics Germany Holdings GmbH Tyco Electronics Raychem GmbH
Gibraltar	Tyco Electronics China (Gibraltar) Limited Tyco Electronics India (Gibraltar) Limited Tyco Electronics (Gibraltar) Holding Limited Tyco Electronics (Gibraltar) Limited
Greece	Tyco Electronics Hellas MEPE
Guernsey	Cregstar Bidco Limited
Hong Kong	ADC Communications Hong Kong Limited AMP Products Pacific Limited Deutsch Connectors Hong Kong Limited F.A.I. Technology (Hong Kong) Limited Hong Kong Sensor Technologies Limited MEAS Asia Limited Raychem China Limited Raychem (HK) Limited TE Connectivity HK Limited TE Connectivity (HKZ) Holding Limited Tyco Electronics H.K. Limited Tyco Electronics Hong Kong Holdings No. 1 Limited Tyco Electronics Hong Kong Holdings No. 2 Limited Tyco Electronics Hong Kong Holdings No. 3 Limited Wema System Hong Kong Limited Wema System Production and Distribution HK Limited
Hungary	Hirschmann Car Communication Kft. Tyco Electronics Hungary Termelo Kft
India	CII Guardian International Limited (39.43%) Deutsch India Power Connectors (Pvt) Ltd RAYCHEM-RPG Private Limited (50%) TE Connectivity India Private Limited TE Connectivity Services India Private Limited Wema Automotive System Private Limited
Indonesia	PT KRONE Indonesia (70%) PT. Tyco Electronics Indonesia
Ireland	Creganna Capital Holding Ireland Unlimited Company Creganna Finance Ireland Limited Creganna Solutions Unlimited Company

	Creganna Tactx Singapore Limited Creganna Unlimited Company MEAS Ireland (Betatherm) Limited TE Connectivity Holding International II S.à r.l. (Ireland Branch) TE Connectivity Investments Holding S.A. (Ireland Branch) TE Connectivity Ireland Limited Tyco Electronics Group S.A. (Branch Office) Tyco Electronics Ireland Limited
Isle Of Man	Creganna Medical Technology Unlimited Creganna Solutions Limited
Israel	Deutsch Israel Ltd. Raychem Ltd.
Italy	Tyco Electronics AMP Italia Products S.R.L. Tyco Electronics AMP Italia S.R.L. Tyco Electronics Italia Holding S.r.l. Tyco Networks (Italy) Srl
Japan	LADD Distribution Limited Nikkiso-Therm Co., Ltd. (50.06%) Tyco Electronics Japan G.K.
Kenya	Tyco Electronics UK Ltd. (Kenya Branch)
Luxembourg	TE Connectivity Holding International I S.A. TE Connectivity Holding International II S.a r.l. TE Connectivity Investments Holding S.A. TE Connectivity LATAM Holding S.à r.l. TE Connectivity MOG Europe S.a r.l. TE Connectivity MOG Holding S.a r.l. TE Connectivity (US) Holding I S.a r.l. Tyco Electronics Finance S.a r.l. Tyco Electronics Group S.A. Tyco Electronics Holding S.a r.l. Tyco Electronics Netherlands (Germany Holding) S.à r.l.
Malaysia	TE Connectivity Manufacturing Sdn. Bhd. Tyco Electronics (Malaysia) Sdn. Bhd.
Malta	Tyco Electronics (AMP Korea) Malta Limited Tyco Electronics (Korea) Malta Limited
Marshall Islands	C.S. Tyco Decisive Inc. C.S. Tyco Dependable Inc. C.S. Tyco Durable Inc. C.S. Tyco Reliance Inc. C.S. Tyco Resolute Inc. C.S. Tyco Responder Inc.
Mexico	AMP Amermex, S.A. de C.V. Cima de Acuna S.A. de C.V. Corcom, S.A. de C.V.

	Deutsch Servicios S. de R.L. De C.V. Hirschmann Car Communication, S. de R.L. de C.V. Kemex Holding Company, S.A. de C.V. Potter & Brumfield de Mexico, S.A. de C.V. Raychem Juarez, S.A. de C.V. Seacon Global Production, S. de R.L. de C.V. Tyco Electronics Mexico, S. de R.L. de C.V. Tyco Electronics Tecnologias S. de R.L. de C.V. Tyco Submarine Systems, S.A. de C.V.
Morocco	TE Connectivity Morocco SARL
Netherlands	AMP Taiwan B.V. AMP Trading B.V. TE Connectivity Nederland B.V. TE Connectivity Netherlands Cooperatief U.A. TE Connectivity Netherlands (Poland II) Cooperatief U.A. TE Connectivity Netherlands (Turkey) B.V. Tyco Electronics Netherlands Holding B.V. Tyco Electronics Netherlands (Gibraltar China) Cooperatief U.A. Tyco Electronics Netherlands (Gibraltar India) Cooperatief U.A. Tyco Electronics Netherlands (India) Cooperatief U.A. Tyco Electronics Wireless Systems B.V. Tyco Networks (Netherlands) B.V.
New Zealand	Tyco Electronics NZ Limited
Nigeria	TE Connectivity Technology Solutions Limited
Norway	MEAS Norway AS Precision Subsea AS Tyco Electronics Norge AS Wema System AS
Panama	TYCO SUBMARINE SYSTEMS, INC.
Peru	Tyco Electronics Del Peru S.A.C. TyCom Networks (Peru) S.A.
Philippines	Tyco Electronics Philippines, Inc.
Poland	TYCO Electronics Polska Sp.z.o.o.
Portugal	Tyco Electronics Componentes Electromecanicos Lda.
Russia	Tyco Electronics RUS OOO
Saudi Arabia	Raychem Saudi Arabia Limited (49%) Tyco Electronics Saudi Arabia Limited
Singapore	ADC Communications (SEA) Pte. Ltd. Creganna Medical Pte. Limited

	Crompton Instruments (South-East Asia) Pte. Ltd. Tyco Electronics AMP Manufacturing (S) Pte Ltd Tyco Electronics Manufacturing Singapore Pte Ltd Tyco Electronics Singapore Pte Ltd
South Africa	TE Connectivity South Africa Proprietary Limited
South Korea	Advanced Tube Technologies, Ltd. Tyco Electronics AMP Korea Co., Ltd. Tyco Electronics Raychem Korea Limited
Spain	TE Connectivity Spain S.L.U. TE Connectivity SubCom S.L.U. TE Connectivity SubCom Spain Holding S.L.U. Tyco Iberia, S.L. Tyco Networks Iberica, S.L.
Sweden	Tyco Electronics Svenska AB Tyco Electronics Svenska Holdings AB
Switzerland	Jaquet Technology Group AG MEAS Switzerland S.a r.l. TE Connectivity (Schweiz) Management AG TE Connectivity Holding International II S.a r.l., Luxembourg (LU), Schaffhausen branch TE Connectivity Holding International II S.a r.l., Luxembourg (LU), Schaffhausen E-Finance branch TE Connectivity Investments Holding S.A., Luxembourg (LU), Schaffhausen branch TE Connectivity MOG Sales GmbH TE Connectivity Solutions GmbH Tyco Electronics (Schweiz) Holding II GmbH Tyco Electronics Finance Alpha GmbH Tyco Electronics Services GmbH Tyco International Services GmbH (49.9375%) Wema System AG
Taiwan	Raychem Pacific Corporation (50%) Taliq Taiwan Limited Tyco Electronics Holdings (Bermuda) No. 7 Limited, Taiwan Branch
Thailand	TE Connectivity Distribution (Thailand) Limited TE Connectivity Manufacturing (Thailand) Company Limited Wema Environmental Technologies Ltd.
Tunisia	TE Connectivity Tunisia Sarl
Turkey	Tyco Elektronik AMP Ticaret Limited Sirketi
Ukraine	Tyco Electronics Ukraine Limited

United Arab Emirates	Tyco Electronics Middle East FZE
United Kingdom	ADC Communications (UK) Ltd. Advanced Fiber Products Limited Critchley Group Limited Deutsch GB Limited Deutsch Subco Limited Deutsch UK Polamco Limited Raychem Limited Seacon (Europe) Limited Servo Interconnect Limited TE Connectivity Limited Tyco Electronics Corby Limited Tyco Electronics Motors Ltd Tyco Electronics Precision Engineering Ltd. Tyco Electronics UK Holdings Ltd Tyco Electronics UK Ltd.
United States	999 Arques Corp. (37.5%) Advanced Fiber Products LLC AdvancedCath Technologies, LLC American Sensor Technologies, Inc. Bolt Holding Company Brantner and Associates, Inc. Brantner Holding Company Codenoll Technology Corporation (73.99%) Cotsworks LLC (40%) Creganna Medical Devices, Inc. Hirschmann Car Communication, Inc. Howard A. Schaevitz Technologies, Inc. LADD Distribution LLC LSA, LLC MEAS US Holding, Inc. Measurement Specialties Foreign Holdings LLC Measurement Specialties, Inc. MicroGroup Holding Company MicroGroup, Inc. MP&E, LLC Precision Interconnect LLC Precision Wire Components, LLC Raychem International LLC Raychem International Manufacturing LLC Rochester Wire and Cable LLC SEACON Advanced Products LLC TacPro, LLC TE Connectivity Corporation TE Connectivity Inc. TE Connectivity MOG Inc. TE Connectivity Phoenix Optix Inc. TE Connectivity Seacon Phoenix Inc. TE Connectivity (US) Holding LLC TE Connectivity US Group Holding Inc. TechDevice LLC

	The Whitaker LLC Transoceanic Cable Ship Company LLC Tyco Electronics Holding Corp. Tyco Electronics Integrated Cable Systems LLC Tyco Electronics Latin America Holding LLC Tyco Electronics RIMC Holding LLC Tyco Electronics Subsea Communications LLC Wema Americas LLC
Uruguay	Tyco Electronics Uruguay S.A.
Venezuela	AMP de Venezuela, C.A. Tyco Electronics de Venezuela, C.A. Tyco Submarine Systems, C.A.
Vietnam	TE Connectivity Vietnam Holding Company Limited

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-3 (File No. 333-212771) and Form S-8 (File Nos. 333-216677, 333-180085, 333-144355, 333-144369, 333-167445, and 333-171127) of our reports dated November 14, 2017, relating to the consolidated financial statements and financial statement schedule of TE Connectivity Ltd. and subsidiaries and the effectiveness of TE Connectivity Ltd. and subsidiaries' internal control over financial reporting appearing in this Annual Report on Form 10-K of TE Connectivity Ltd. for the fiscal year ended September 29, 2017.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania
November 14, 2017

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Exhibit 24.1

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS:

That each person whose signature appears below, as a Director of TE Connectivity Ltd. (the "Company"), a Swiss corporation with its general offices at Rheinstrasse 20, CH-8200 Schaffhausen, Switzerland, does hereby make, constitute and appoint Terrence R. Curtin, Chief Executive Officer, Heath A. Mitts, Executive Vice President and Chief Financial Officer, John S. Jenkins, Jr., Executive Vice President and General Counsel, or any one of them acting alone, his or her true and lawful attorneys, with full power of substitution and resubstitution, in his or her name, place and stead, in any and all capacities, to execute and sign the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2017, and any and all amendments thereto, and documents in connection therewith, to be filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, giving and granting unto said attorneys full power and authority to do and perform such actions as fully as they might have done or could do if personally present and executing any of said documents.

Dated and effective as of the 13 th of November 2017.

/s/ THOMAS J. LYNCH	/s/ DANIEL J. PHELAN
Thomas J. Lynch, Director	Daniel J. Phelan, Director
/s/ PIERRE R. BRONDEAU	/s/ PAULA A. SNEED
Pierre R. Brondeau, Director	Paula A. Sneed, Director
/s/ TERRENCE R. CURTIN	/s/ ABHIJIT Y. TALWALKAR
Terrence R. Curtin, Director	Abhijit Y. Talwalkar, Director
/s/ CAROL A. DAVIDSON	/s/ MARK C. TRUDEAU
Carol A. Davidson, Director	Mark C. Trudeau, Director
/s/ WILLIAM A. JEFFREY	/s/ JOHN C. VAN SCOTER
William A. Jeffrey, Director	John C. Van Scoter, Director
/s/ YONG NAM	/s/ LAURA H. WRIGHT
Yong Nam, Director	Laura H. Wright, Director

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Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Terrence R. Curtin, certify that:

1. I have reviewed this Annual Report on Form 10-K of TE Connectivity Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

/s/ TERRENCE R. CURTIN

Terrence R. Curtin
Chief Executive Officer

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Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Heath A. Mitts, certify that:

1. I have reviewed this Annual Report on Form 10-K of TE Connectivity Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2017

/s/ HEATH A. MITTS

Heath A. Mitts
Executive Vice President and Chief Financial Officer

Exhibit 32.1

TE CONNECTIVITY LTD.
CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officers of TE Connectivity Ltd. (the "Company") hereby certify to their knowledge that the Company's Annual Report on Form 10-K for the fiscal year ended September 29, 2017 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ TERRENCE R. CURTIN

Terrence R. Curtin
Chief Executive Officer
November 14, 2017

/s/ HEATH A. MITTS

Heath A. Mitts
Executive Vice President and Chief Financial Officer
November 14, 2017