

## **TE Connectivity Limited**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The Directors present their report and the financial statements for the year ended 30 September 2020.

#### **Parent company**

The immediate parent company is Tyco Electronics (Schweiz) Holding II GmbH and the ultimate parent is TE Connectivity Ltd., a company incorporated in Switzerland.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £73,207,260 (2019: profit £118,711,006).

The Directors do not recommend the payment of a dividend (2019: £Nil).

#### **Directors**

The Directors who served during the year were:

H G Barksdale  
A R Fulford  
S C Cooper

#### **Future developments**

The strength of the TE Connectivity group across its worldwide markets provides a strong foundation for the future prospects of the Company. The group continues its strategy to strengthen its position as the world leader in connectivity and establish a leadership position in sensors in the harsh environment markets.

#### **Financial risk management**

TE Connectivity Limited is integrated with TE Connectivity Ltd.'s liquidity management system. Cash and cash equivalents held in TE Connectivity Ltd.'s subsidiaries, are obliged to one of its subsidiary's Tyco Electronics Group S.A. (TEGSA) with the ability to repatriate if needed. The TE Connectivity Ltd.'s effective finance management system with ongoing monitoring and control of inflows and outflows and their due dates is an effective tool for liquidity risk management. The primary sources of funds are business operations; other sources include cash flows from investing activities and external financing activities. Finance management for business operations is substantially centralised and ensured through a cash-pooling system. By daily netting and pooling cash balances, cash available or required is managed as needed and appropriate. The Directors of TE Connectivity Limited are regularly briefed on the inflow and outflow of funds. Cash inflows and outflows are netted through TE Connectivity Limited integration with TE Connectivity Ltd.'s central finance management system.

#### **Credit and Liquidity risk**

Liquidity management and investment is handled by the central TE Connectivity Ltd's treasury function. This carefully selects the financial institutions and investment forms when investing cash. Risk is minimised by 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, only conventional derivative financial instruments are utilised.

Liquidity risk describes the risk that difficulty will be encountered in meeting obligations associated with financial liabilities. To counter this risk, TE Connectivity Ltd. has an effective financial management system that continuously monitors and manages cash inflows and outflows and due dates. Cash funds are primarily generated by the operating business of the group and by external financing arrangements. Daily pooling of cash funds manages liquidity surpluses and requirements both at company level and for TE Connectivity Ltd. to ensure that all needs are met.

## **TE Connectivity Limited**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020**

#### **Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006**

Section 172(1) of the Companies Act 2006 requires directors to act in good faith and in a way that they consider most likely to promote success of the Company for the benefit of its members as a whole.

As the Company is part of the wider Group, where matters impact other entities amongst the Group and have a wider application, stakeholder engagement is led by Tyco Electronics UK Ltd. Further information on how the Group engages with its stakeholders can be found in the Strategic Report within the Tyco Electronics UK Ltd Annual Accounts.

Every decision made by the Board considers in detail the impact on the Company's key stakeholders to ensure that the success of Company is promoted over the long term for the benefit of the Group. In accordance with the Large and Medium sized Companies Groups (Accounts and Reports) Regulations 2008, the directors confirm that they have both engaged with and had regard to the interest of key stakeholders in their duties as directors of the Company.

#### **Greenhouse gas emissions, energy consumption and energy efficiency action**

From 1 April 2019, large businesses must disclose their annual UK energy use and greenhouse gas emissions. This is required by the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon report) Regulations 2018.

TE Connectivity Limited qualifies as a large company, however its principal activities are the holding of the investments in the group and servicing of inter-company debt, it does not trade. Its subsidiaries do not meet the requirements for reporting because they are either small or out of scope due to its activities being performed outside of the UK. Therefore, the Company acknowledges that although it has met the threshold for SECR reporting, it is under the minimum carbon threshold for disclosure, due to it being a holding company, and its activities are solely related to its investment in subsidiaries.

#### **Qualifying third party indemnity provisions**

During the year, the Company had in force an indemnity provision in favour of the Directors of the Company against liability in respect of proceedings brought by third parties.

#### **Disclosure of information to auditor**

The director's confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Auditor**

During the year, Grant Thornton UK LLP, Chartered Accountants, were appointed auditor pursuant to section 485 of the Companies Act 2006.

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**TE Connectivity Limited**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

This report was approved by the board and signed on its behalf.



**S C Cooper**  
Director

Date: 26 July 2021