

TE TAX STRATEGY

WE ARE GOOD CORPORATE CITIZENS, WHO VALUE OUR PLACE IN THE GLOBAL COMMUNITY

(TE Guide to Ethical Conduct, Global Corporate Citizenship)

Our Contribution

TE Connectivity pays a significant amount of tax to local and national governments including corporate taxes on profits, social taxes on employment, taxes on property, customs and excise duty on purchases, withholding taxes and environmental taxes. We also collect sales and value added taxes charged to our customers and taxes paid by our employees. These are all paid in full and on time in the territories in which we operate.

AS PART OF THE TE TEAM, EACH OF US HAS A RESPONSIBILITY TO CONDUCT BUSINESS LEGALLY AND ETHICALLY

(TE Guide to Ethical Conduct, Our responsibilities)

Our Principles

The principles governing the management of our tax affairs are fully aligned with the group's wider commercial, reputational and business practices and are consistent with our commitment to corporate responsibilities. They consist of the following:

- Complying with applicable tax laws, rules, regulation and disclosure requirements;
- Paying our fair share of tax based on the tax laws, rules and regulations of the territories in which we operate;
- Providing real time advice to our business leaders and our Board, and managing risks, so as to avoid surprises and enhance shareholder value;
- Interpreting tax law using relevant guidance, and discussing such interpretation with tax authorities where appropriate; and,
- Seeking to have constructive and transparent working relationships with tax authorities based on mutual respect and trust.¹

¹ For the purposes of Finance Act 2016 (United Kingdom), note that our engagement with HMRC is constructive, proactive and transparent. We proactively engage with our HMRC Customer Compliance Manager. Our UK Controller maintains a control framework that is in accordance with the UK's Senior Accounting Officer Regime, and we are rated 'low risk' by HMRC. The issue date of this document is August 31, 2022 and it applies for the UK statutory financial year ending in 2022.



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COMPANY ASSETS... MUST BE PROTECTED FROM LOSS, DAMAGE, WASTE AND MISUSE. OUR ASSETS INCLUDE FINANCIAL ASSETS SUCH AS CASH, BANK ACCOUNTS AND CREDIT STANDING

(TE Guide to Ethical Conduct, Protecting company assets)

Tax Management

The tax legislation in each territory differs and is often complex and subject to interpretation by management and the government authorities. Recent developments in the international tax policy arena have increased the likelihood of changes to local tax systems and this creates added uncertainty.

The Board sets the tone for the entire group in determining our governance principles and policies, which govern the way our tax affairs are managed. TE's Guide to Ethical Conduct applies to all employees.

The finance organization, reporting through to the Chief Financial Officer, is primarily responsible for tax compliance, tax payments, and primary relationships with local tax authorities. Our Chief Tax Officer leads a team with specific geographic and technical responsibilities, including specialists in tax compliance, reporting, planning, transfer pricing and tax accounting. The team actively monitors tax policy changes and business transactions to ensure tax laws are correctly applied globally.

While we aim to maximize the tax efficiency of our business transactions, we do not use structures that are against the letter or spirit of the law. TE's tax policies require arm's length principles to be applied in the pricing of all intra-group transactions in accordance with Organisation for Economic Co-operation and Development guidelines and local country law. Advice is sought from external advisors on material transactions and whenever the necessary expertise is not available in-house.

Under our risk control tracking system, tax developments are evaluated and where material are escalated to Senior Financial Management and the Audit Committee. Training is provided for our tax and local entity finance team, as appropriate. The tax team is involved as appropriate in financial system evolution, and maintains appropriate workflow and document management systems.

Related documents

For more information about our governance framework and corporate responsibility program, please follow the links below to our latest reports:

- ["Connecting with Our Values" TE Connectivity Guide to Ethical Conduct](#)
- [TE Corporate Responsibility Report](#)