

Sensata Technologies Holding N.V.
Form DEFM14A
January 19, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

SENSATA TECHNOLOGIES HOLDING N.V.

(Name of Registrant as Specified in its Charter)
Not Applicable

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

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1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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Dear Shareholders:

You are cordially invited to an Extraordinary Meeting of Shareholders (the “Extraordinary Meeting”) of Sensata Technologies Holding N.V. (“Sensata-Netherlands”), to be held on February 16, 2018, at 6:00 p.m. Central European Time, at the offices of Loyens & Loeff N.V., located at Fred. Roeskestraat 100, 1076 ED Amsterdam, The Netherlands. Only shareholders of record at the close of business on January 19, 2018 are entitled to receive notice of and to vote at the Extraordinary Meeting or any adjournment or postponement thereof. Details of the business to be presented at the Extraordinary Meeting can be found in the accompanying Notice of Extraordinary Meeting of Shareholders and proxy statement/prospectus.

The board of directors of Sensata-Netherlands (the “Sensata-Netherlands Board”) has unanimously approved a plan to change our parent company’s location of incorporation from the Netherlands to the United Kingdom (the “UK”). To effect this change at the Extraordinary Meeting, you will be asked to approve the cross-border merger between Sensata-Netherlands and Sensata Technologies Holding plc (“Sensata-UK”), a newly formed, public limited company incorporated under the laws of England and Wales, with Sensata-Netherlands being the disappearing entity and Sensata-UK being the surviving entity (the “Merger”), pursuant to the common draft terms of the cross-border legal merger (the “Merger Proposal”), a copy of which is attached to this proxy statement/prospectus as Annex A. If approved by our shareholders, the Merger would result in Sensata-UK becoming the publicly-traded parent of the subsidiary companies that are currently controlled by Sensata-Netherlands and would result in your holding ordinary shares in Sensata-UK (the “Ordinary Shares”) rather than in Sensata-Netherlands.

After the Merger, as we describe in the proxy statement/prospectus, your rights under the laws of England and Wales as a holder of Ordinary Shares will differ from your current rights under Dutch law as a holder of Sensata-Netherlands ordinary shares. In addition, Sensata-UK’s articles of association (the “Sensata-UK Articles”) differ in some respects from Sensata-Netherlands’ articles of association (the “Sensata-Netherlands Articles”), as further described in the proxy statement/prospectus.

The Merger will not affect the number of ordinary shares you hold or your relative economic ownership interest. Sensata-UK, together with its subsidiaries, will continue to conduct our business in substantially the same manner as is currently being conducted by Sensata-Netherlands and its subsidiaries. We expect the Ordinary Shares to be listed and traded on The New York Stock Exchange (“NYSE”) under the symbol “ST,” the same symbol under which your ordinary shares of Sensata-Netherlands are currently listed and traded. We will remain subject to the U.S. Securities and Exchange Commission (the “SEC”) reporting requirements, the mandates of the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act, and applicable corporate governance rules of the NYSE, and we will continue to report our consolidated financial results in U.S. dollars and in accordance with U.S. generally accepted accounting principles (“GAAP”). We will also continue to have annual meetings of shareholders for the election of directors and annual shareholder advisory votes on executive compensation as required by SEC rules. Furthermore, we will comply with additional reporting and governance requirements of the laws of England and Wales.

Under Dutch tax law, certain holders of ordinary shares in Sensata-Netherlands that are subject to tax in the Netherlands and realize a capital gain in connection with the Merger will generally recognize a taxable gain or loss on the exchange of such shares for Ordinary Shares in the Merger. However, such shareholders may possibly apply roll-over relief as a result of which such gain will not be recognized for Dutch tax purposes. Under U.S. federal income tax law, holders of ordinary shares of Sensata-Netherlands generally will not recognize gain or loss on the exchange of such shares for shares of Sensata-UK in the Merger. Please see “Material Tax Considerations Relating to the Merger” for further information. We urge you to consult your own tax advisor regarding your particular tax consequences.

We currently anticipate that the Merger will become effective in the first quarter of 2018, although we may postpone or abandon the Merger at any point prior to its completion, including after obtaining shareholder approval.

The proxy statement/prospectus provides you with detailed information regarding the Merger. We encourage you to read this entire proxy statement/prospectus carefully. In particular, before voting you should carefully consider “Risk Factors Related to the Merger,” beginning on page 28 for a discussion of risks related to the Merger.

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The Sensata-Netherlands Board has determined that the Merger is advisable and in the best interests of Sensata-Netherlands and its shareholders and, as a result, has unanimously approved the Merger Proposal. The Sensata-Netherlands Board recommends that you vote "FOR" the Merger and also recommends that you vote "FOR" each other proposal described in this proxy statement/prospectus.

Your vote is very important, regardless of the number of shares you own. Even if you plan to attend the Extraordinary Meeting, please sign, date, and return the enclosed proxy card as promptly as possible to ensure that your shares are represented. If you attend the Extraordinary Meeting, you may withdraw any previously submitted proxy and vote in person.

Sincerely,

Paul Edgerley

Chairman of the Board

Neither the SEC nor the UK's Financial Conduct Authority (the "FCA") has approved or disapproved of the securities to be issued in the Merger or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense. For the avoidance of doubt, this proxy statement/prospectus is not intended to be and is not a prospectus for purposes of the EU Prospectus Directive, the EU Prospectus Regulation, and (or) the FCA's Prospectus Rules.

This proxy statement/prospectus is dated January 19, 2018, and is being first sent or made available to shareholders of Sensata-Netherlands along with a form of proxy card or voting instruction card on or about January 19, 2018.

NOTICE OF EXTRAORDINARY MEETING OF SHAREHOLDERS

January 19, 2018

TO THE SHAREHOLDERS OF SENSATA TECHNOLOGIES HOLDING N.V.:

Notice is hereby given that Sensata Technologies Holding N.V. (“Sensata-Netherlands”) will hold an Extraordinary Meeting of Shareholders (the “Extraordinary Meeting”) on February 16, 2018, at 6:00 p.m. Central European Time, at the offices of Loyens & Loeff N.V., located at Fred. Roeskestraat 100, 1076 ED Amsterdam, The Netherlands for the following purposes:

To approve the amendment of the articles of association of Sensata-Netherlands (the “Sensata-Netherlands Articles”) in connection with the proposed Merger, as defined herein, and authorize any and all lawyers and (deputy) civil law notaries practicing at Loyens & Loeff N.V., Amsterdam, the Netherlands, to execute the notarial deed of amendment of the articles of association to affect the aforementioned amendment of the Sensata-Netherlands Articles.

To approve the cross-border merger between Sensata-Netherlands and Sensata Technologies Holding plc (“Sensata-UK”), a newly-formed public limited company incorporated under the laws of England and Wales, with Sensata-Netherlands being the disappearing entity and Sensata-UK being the surviving entity (the “Merger”), pursuant to the common draft terms of the cross-border legal merger (the “Merger Proposal”), a copy of which is attached to this proxy statement/prospectus as Annex A.

To transact such other business as may properly come before the Extraordinary Meeting or any adjournments thereof.

The Sensata-Netherlands Board recommends that you vote FOR proposals (1) and (2) above.

Important Notice Regarding the Availability of Proxy Materials for the Extraordinary Meeting of Shareholders to be held on February 16, 2018: Our Notice of Extraordinary Meeting of Shareholders and Proxy Statement/Prospectus are available at <http://investors.sensata.com>.

Copies of the agenda for the Extraordinary Meeting and related documents may be obtained free of charge at our offices in Hengelo, the Netherlands and Attleboro, Massachusetts by shareholders and other persons entitled to attend the Extraordinary Meeting and their representatives as of the date hereof until the close of the Extraordinary Meeting. Copies of these documents are also available on our website (www.sensata.com) or by contacting us at Sensata Technologies Holding N.V., c/o Sensata Technologies, Inc., Attention: Investor Relations, 529 Pleasant Street, Attleboro, Massachusetts 02703, or investors@sensata.com.

The Sensata-Netherlands Board has fixed the close of business on January 19, 2018 as the record date for the Extraordinary Meeting. Only holders of ordinary shares of Sensata-Netherlands, according to American Stock Transfer & Trust Company or our shareholders’ register in the Netherlands, as of that time, or such shareholders’ proxies, are entitled to receive notice of, and to attend, address, and vote at, the Extraordinary Meeting and any adjournments thereof. Each ordinary share entitles the holder thereof to one vote on each matter that is voted on at the Extraordinary Meeting. The number of outstanding ordinary shares entitled to vote on each proposal at the Extraordinary Meeting is 171,411,697.

There are 178,562,449 legally issued ordinary shares under Dutch law, which, as of the record date, includes 7,028,118 legally issued ordinary shares that we have repurchased but that have not been legally retired and 122,634 legally issued ordinary shares that have been forfeited but not yet legally retired.

In accordance with the Sensata-Netherlands Articles, if you wish to attend the Extraordinary Meeting, you must notify the Sensata-Netherlands Board of your intention no later than February 15, 2018, by submitting your name and number of shares beneficially owned to: Sensata Technologies Holding N.V., c/o Sensata Technologies, Inc., Attention: Investor Relations, 529 Pleasant Street, Attleboro, Massachusetts 02703, or to

investors@sensata.com. All of the ordinary shares of Sensata-Netherlands traded on the NYSE are held by Cede & Co. as nominee shareholder for the Depository Trust Company (the "DTC"). If you own ordinary shares of Sensata-Netherlands through a broker, the holder of those shares in the book entry system of the DTC is Cede & Co. as the broker's nominee. Such shares are often referred to as held in "street name," and you, as the beneficial owner of those shares, do not appear in the book entry system of the DTC. If you own your ordinary shares through a broker and you wish to attend the Extraordinary Meeting, you must provide us with appropriate evidence of ownership of and authority to vote the shares no later than February 15, 2018. Access to the Extraordinary Meeting is permitted only after verification of personal identification.

If you do not plan to attend the Extraordinary Meeting, please complete, date, and sign the enclosed proxy and return it promptly in the enclosed envelope, which needs no postage if mailed in the United States. If you later desire to revoke your proxy, you may do so at any time before it is exercised.

By Order of the Board,
Paul Edgerley
Chairman of the Board

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ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus incorporates documents by reference which contain important business and financial information about us that is not included in or delivered with this proxy statement/prospectus and which documents are described under “Incorporation of Certain Information by Reference,” and “Where You Can Find More Information.” These documents are available to any shareholder, including any beneficial owner, free of charge upon request directed to: Sensata Technologies Holding N.V., c/o Sensata Technologies, Inc., Attn: Investor Relations, 529 Pleasant Street, Attleboro, Massachusetts 02703. To ensure timely delivery of these documents, any request should be made no later than 10 business days prior to the Extraordinary Meeting. The exhibits to these documents will generally not be made available unless they are specifically incorporated by reference in this proxy statement/prospectus.

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus. We have not authorized anyone else to provide you with different information. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than the date this proxy statement/prospectus. You should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of such incorporated document.

Neither Sensata-Netherlands nor Sensata-UK is making an offer of the securities in any country, state, province, or territory where such offer is not permitted. For the avoidance of doubt, this proxy statement/prospectus is not intended to be and is not a prospectus for purposes of the EU Prospectus Directive, the EU Prospectus Regulation, or the FCA’s Prospectus Rules.

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Sensata Technologies Holding N.V.
Jan Tinbergenstraat 80, 7559 SP Hengelo
The Netherlands
31-74-357-8000

PROXY STATEMENT
FOR
EXTRAORDINARY MEETING OF SHAREHOLDERS

To Be Held on February 16, 2018

GENERAL INFORMATION ABOUT THE MERGER AND THE EXTRAORDINARY MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the proposed Merger (as defined herein) and the Extraordinary Meeting. These questions and answers may not address all questions that may be important to you. Please refer to the more detailed information contained elsewhere in this proxy statement/prospectus, its annexes, and documents referred to or incorporated by reference in this proxy statement/prospectus for more information. For instructions on obtaining the documents incorporated by reference, refer to “Incorporation of Certain Information by Reference” and “Where You Can Find More Information.”

Why am I receiving this proxy statement/prospectus?

We are seeking your approval at the Extraordinary Meeting of a proposal that would result in a corporate reorganization of Sensata Technologies Holding N.V. (“Sensata-Netherlands”), our current public holding company, and its subsidiary companies in order to change our parent company’s location of incorporation from the Netherlands to the United Kingdom (the “UK”). The corporate reorganization, which will be effected by the Merger, requires shareholder approval, which is why you are receiving this proxy statement/prospectus.

What is the Merger?

In order to effect the corporate reorganization of Sensata-Netherlands and its subsidiary companies, Sensata-Netherlands will merge into Sensata Technologies Holding plc (“Sensata-UK”), with Sensata-UK surviving the merger (the “Merger”). Upon completion of the Merger, you will receive, as consideration, one ordinary share of Sensata-UK (an “Ordinary Share”) in exchange for each ordinary share of Sensata-Netherlands you hold immediately prior to the Merger, and all of the assets and liabilities of Sensata-Netherlands shall transfer by universal succession of title to Sensata-UK. Following the Merger, Sensata-UK will continue to conduct the same business through its subsidiary companies as Sensata-Netherlands conducted prior to the Merger.

Who are the parties to the Merger?

The parties to the Merger, which are described in this proxy statement/prospectus, are Sensata-Netherlands, our current public holding company, and Sensata-UK, a newly-formed, public limited company incorporated under the laws of England and Wales.

Why do you want to have your publicly traded parent incorporated in the UK?

In reaching its decision to approve the Merger Proposal and recommend the Merger for your approval, the Sensata-Netherlands board of directors (the “Sensata-Netherlands Board”) identified the following potential material benefits of having our publicly-traded parent incorporated under the laws of England and Wales:

• The Merger will allow us to be incorporated in a jurisdiction in which we have significant operations. Our acquisitions of Schrader Electronics on October 14, 2014 and the CST sensing businesses on

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December 1, 2015 significantly increased our presence in the UK. For example, immediately prior to the Schrader acquisition we had 255 employees in the Netherlands and 19 in the UK, while today, we have 260 employees in the Netherlands and 1,515 employees in the UK.

The UK is generally thought by investors to be a shareholder-friendly corporate governance environment. For example, in a recent, well publicized transaction, a NYSE-listed Dutch company utilized a form of Dutch foundation, or Stichting, which is not available under the laws of England and Wales, to thwart an unsolicited takeover offer that many shareholders believed was in their interest. In addition, the law of England and Wales has other features that we believe will be perceived by investors to be more shareholder friendly, such as permitting shareholder derivative actions and providing for a faster process and lower required ownership threshold for shareholders to initiate a general meeting.

Our strategy is to deploy capital in a manner that creates the greatest value for our shareholders. To achieve this we continuously assess various value creation opportunities and from that deploy capital in a way that is intended to maximize returns for shareholders. As a company incorporated in England and Wales, we believe we will increase our flexibility and effectiveness in allocating and deploying capital as a result of the additional flexibility under the law of England and Wales for us to engage in share buy backs, as, unlike the Netherlands, the UK does not levy withholding tax in respect of share buybacks. In addition, unlike a company organized under Dutch law, under the law of England and Wales, we will also generally not be subject to tax on any dividends we may receive on securities that we hold. While we have never declared or paid cash dividends on our ordinary shares and do not currently intend to declare a cash dividend in the foreseeable future, we anticipate that (i) UK non-resident taxpayer rules for dividend and capital gains income derived from Sensata-UK and (ii) the absence of dividend withholding tax under the law of England and Wales could reduce the administrative and financial burden for us and our shareholders.

The impending withdrawal of the UK from the European Union (“Brexit”) may make it more difficult in the future to effect a company migration from the Netherlands to the UK, although the position is uncertain. In addition, London is — and despite Brexit is expected by some market commentators to remain — one of the world’s foremost financial centers from a shareholders’ and international banking perspective.

We will no longer be required to have at least 50% of our shareholders resident in the United States or the Netherlands to obtain tax treaty benefits under the US/Netherlands Tax Treaty and US/Ireland Tax Treaty, and will therefore no longer be required to regularly analyze the ultimate beneficial owners of our stock. Additionally, as a Dutch company, we do not qualify for the publicly traded test of Article 26(2)(c)(i) under the US and Netherlands Tax Treaty, but instead rely on the tax residency of our shareholders in order to qualify for treaty benefits in certain jurisdictions, including Ireland. Currently, if the ownership tests under the US/Netherlands Tax Treaty and US/Ireland Tax Treaty were not met, interest payments made by U.S. entities within our consolidated group would be subject to withholding tax at a rate of 30%. Based on the annual interest due by U.S. entities in our consolidated group during our most recently completed tax year, the potential withholding tax to which we would have been subject absent the benefits available under these treaties would have been approximately \$47 million. After the Merger, we believe that we will satisfy the publicly traded test under the US and UK Tax Treaty and will therefore be able to rely on the public entities ownership test and not the ultimate shareholders test to qualify for the treaty benefits in those jurisdictions. While we do not expect that this will result in a change in the type or amount of tax treaty benefits available to us, we believe that it will streamline and simplify the process by which we demonstrate our eligibility for these benefits.

Refer to “Summary of the Merger — Reasons for the Merger,” included elsewhere in this proxy statement/prospectus, for additional information. We cannot assure you that the anticipated benefits of the Merger will be realized. In addition to the potential benefits described above, the Merger will expose you and us to risks. Refer to “Risk Factors Relating to the Merger” and “Cautionary Statements Regarding Forward-Looking Statements,” included elsewhere in this proxy statement/prospectus, for a description of certain risks associated with the Merger.

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Will the company relocate its headquarters to the UK?

Our principal executive offices will remain in Attleboro, Massachusetts.

Will the Merger affect your current or future operations?

While changing our parent company's location of incorporation is expected to position us to capture the benefits described above, we believe that the Merger should otherwise have no material impact on how we conduct our day-to-day operations. Where we conduct our future operations will depend on a variety of factors including the worldwide demand for our products and the overall needs of our customers, independent of our legal domicile. Refer to "Risk Factors Relating to the Merger" and "Cautionary Statements Regarding Forward-Looking Statements," included elsewhere in this proxy statement/prospectus, for a discussion of various ways in which the Merger could have an adverse effect on us.

Will the Merger dilute my economic interest?

The Merger will not dilute your economic interest in the Sensata group. Immediately after the completion of the Merger, Sensata-UK will own, directly or indirectly, all of the subsidiaries currently owned by Sensata-Netherlands. Further, you will own the same number of Ordinary Shares as the number of shares you owned of Sensata-Netherlands. Finally, the number of Ordinary Shares in issue will be the same as the number of ordinary shares of Sensata-Netherlands in issue immediately before consummation of the Merger, subject to the effects of the Merger described under "Proposal 2 — Approval of the Merger."

Will the Merger result in any changes to my rights as a shareholder?

Your rights as a shareholder of Sensata-Netherlands are governed by Dutch law and Sensata-Netherlands' articles of association (the "Sensata-Netherlands Articles"). After the Merger, you will become a shareholder of Sensata-UK and your rights will be governed by the laws of England and Wales and Sensata-UK's articles of association (the "Sensata-UK Articles"). The legal system governing companies organized under the laws of England and Wales differs from the legal system governing companies organized under Dutch law. Refer to "Comparison of Rights of Shareholders," included elsewhere in this proxy statement/prospectus, for a summary of differences of shareholder rights resulting from the Merger.

What are the major actions that have been performed or will be performed to effect the Merger?

We have taken or will take the actions listed below to effect the Merger:

• Sensata-UK was incorporated under the laws of England and Wales as a public limited company for the sole purpose of engaging in the Merger;

• Shareholders vote on the Merger at the Extraordinary Meeting;

If the Merger is approved by the requisite vote of our shareholders and the other conditions to closing are satisfied, we will (1) request a Dutch civil law notary (notaris) to issue a certificate attesting that Sensata-Netherlands has observed all procedural rules in respect of all the required resolutions and that all pre-merger formalities under Dutch law have been complied with, and (2) request the issuance of an order by the UK High Court certifying that Sensata-UK has properly completed the pre-merger acts and formalities in accordance with The Companies (Cross-Border Mergers) Regulations 2007 (the "UK Regulations").

Following this, a joint application will be submitted to the UK High Court by Sensata-UK and Sensata-Netherlands for the issuance of an order approving the completion of the Merger. The Merger will be effected not less than 21 days after the date of such order, which is currently expected to be in the first quarter of 2018.

As a result of the Merger:

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all assets and liabilities of Sensata-Netherlands shall transfer by universal succession of title to Sensata-UK; Sensata-Netherlands will cease to exist; each shareholder will receive, as consideration for the Merger, one Ordinary Share in Sensata-UK in exchange for each ordinary share in Sensata-Netherlands held immediately prior to the effective time of the Merger (excluding treasury shares held by Sensata-Netherlands), except to the extent that any such shareholder exercises his, her or its withdrawal rights; each share of Sensata-Netherlands will be canceled and will cease to exist; and Sensata-UK will assume all rights and obligations of Sensata-Netherlands (including under employee equity-based plans of Sensata-Netherlands) by operation of law.

Will the Merger have an impact on your operating expenses or effective tax rate, going forward?

We do not expect the Merger to have a material effect on our operating costs, including our selling, general and administrative expenses. In addition, we do not expect the Merger to have a material effect on our worldwide effective tax rate.

Is the Merger taxable to me?

Subject to the qualifications and assumptions described in this proxy statement/prospectus, under U.S. federal income tax law, U.S. holders of ordinary shares of Sensata-Netherlands will not recognize gain or loss upon the exchange of Sensata-Netherlands ordinary shares for Ordinary Shares pursuant to the Merger. Please see “Material Tax Considerations Relating to the Merger — U.S. Federal Income Tax Considerations” for further information.

As is discussed below under “Material Tax Considerations Relating to the Merger — Dutch Tax Considerations,” under Dutch tax law, holders of shares in Sensata-Netherlands will not be subject to Dutch dividend withholding tax as a result of the Merger if and to the extent that the aggregate amount of any cash compensation received by the holders of such shares in connection with the exercise of withdrawal rights does not exceed the average capital recognized as paid-up on the relevant shares for Dutch dividend withholding tax purposes. Dutch dividend withholding tax at a rate of 15% will generally be withheld if and to the extent that such cash compensation exceeds the average capital recognized as paid-up on the relevant shares for Dutch dividend withholding tax purposes. Certain holders of shares in Sensata-Netherlands that are subject to tax in the Netherlands as a resident or non-resident taxpayer and realize a capital gain in connection with the Merger will generally be subject to corporate income tax or income tax in the Netherlands. However, certain shareholders receiving shares in Sensata-UK in exchange for all their shares in Sensata-Netherlands in the Merger may possibly apply roll-over relief (doorschuiving) as a result of which such gain will not be recognized for Dutch tax purposes.

For UK tax purposes, holders of shares of Sensata-Netherlands who are not resident in the UK for UK tax purposes will not be subject to UK corporation tax or capital gains tax as a result of the Merger unless they carry on a trade in the UK through a permanent establishment (where the shareholder is a company) or a trade, profession or vocation in the UK through a branch or agency (where the shareholder is not a company) and has used, held or acquired such shares for the purposes of such trade, profession or vocation or such permanent establishment, branch or agency (as appropriate). Individual shareholders who may be treated as being temporarily non-resident for UK tax purposes should however have regard to the further details described in “Material Tax Considerations Relating to the Merger — UK Tax Considerations.”

Please refer to “Material Tax Considerations Relating to the Merger” for a description of the material U.S. federal income tax and certain Dutch and UK tax consequences of the Merger to Sensata-Netherlands and its shareholders. Determining the actual tax consequences of the Merger to you may be complex and will depend on your specific situation. You are urged to consult your tax advisor for a full understanding of the tax consequences of the Merger to you.

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Has the U.S. Internal Revenue Service, Dutch Tax Authority, or H.M. Revenue & Customs issued a ruling on the Merger?

No ruling has been obtained from the U.S. Internal Revenue Service regarding the U.S. federal income tax consequences of the Merger.

We have received a ruling from the Dutch Tax Authority (de Belastingdienst) confirming, based on our representations, among other things, that: (1) the participation exemption applies to the benefits stemming from the shareholding in Sensata Technologies Intermediate Holding B.V. that will be realized as a result of the Merger; (2) the Merger is not a taxable event for dividend withholding tax purposes and will as such not result in an obligation to withhold Dutch dividend withholding tax; (3) Dutch dividend withholding tax at a rate of 15% will generally be withheld if and to the extent that cash compensation received by holders in connection with the exercise of their withdrawal rights exceeds the average capital recognized as paid-up on the relevant shares for Dutch dividend withholding tax purposes; and (4) the Merger does not have Dutch VAT implications.

No ruling has been obtained from H.M. Revenue & Customs regarding the UK tax consequences of the Merger.

Is the Merger a taxable transaction for either Sensata-Netherlands or Sensata-UK?

The Merger constitutes a taxable transaction for Dutch corporate income tax purposes pursuant to which all assets and liabilities are deemed for Dutch tax purposes to be transferred at fair market value. However, by virtue of the application of the Dutch participation exemption (deelnemingsvrijstelling) that will apply to gains or losses realized on the deemed transfer of the shares in Sensata Technologies Intermediate Holding B.V., it is not expected that the Merger will result in any substantial tax liability that would result in Sensata-Netherlands paying Dutch corporate income tax.

Sensata-UK will be within the scope of UK corporation tax following the Merger. However, based on current UK tax law and practice, Sensata-UK does not expect it will be subject to material levels of UK tax.

What types of information and reports will Sensata-UK make available following the Merger?

After the effective time of the Merger, we will remain subject to U.S. Securities and Exchange Commission (“SEC”) reporting requirements. Accordingly, and in order to comply with the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we will continue to make publicly available consolidated financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) and reported in U.S. dollars. In addition, we will remain subject to the requirements of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and applicable corporate governance rules of The New York Stock Exchange (the “NYSE”). These requirements include, for example, independence requirements for board committee composition, annual certification requirements, and auditor independence rules. After the effective time of the Merger we must also comply with additional reporting requirements of the laws of England and Wales.

What are the closing conditions to the Merger?

The Merger cannot be completed without satisfying certain conditions, the most important of which is that shareholders must approve the adoption of the Merger Proposal at the Extraordinary Meeting. In addition, there are other conditions, which we expect to complete on a timely basis, such as the requirement to obtain authorization for listing the Ordinary Shares on the NYSE and receipt of certain legal opinions. Refer to “Summary of the Merger — Merger Conditions,” included elsewhere in this proxy statement/prospectus, for additional information.

When do you expect the Merger to be completed?

We intend to complete the Merger as quickly as possible. If the Merger is approved by the requisite vote of our shareholders and other conditions to closing are satisfied, we will request a Dutch civil law notary (notaris) to issue a certificate attesting that Sensata-Netherlands has observed all procedural rules in respect of all the required resolutions and that all pre-merger formalities under Dutch law have been complied with. In addition, we will request the issuance of an order by the UK High Court certifying that Sensata-UK has properly completed the pre-

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merger acts and formalities in accordance with The Companies (Cross-Border Mergers) Regulations 2007 (the “UK Regulations”). Following this, a joint application will be submitted to the UK High Court by Sensata-UK and Sensata-Netherlands for the issuance of an order approving the completion of the Merger. The Merger will be effected not less than 21 days after the date of such order, which is currently expected to be in the first quarter of 2018. The completion of the Merger is subject to the satisfaction or waiver of all of the conditions to the Merger. The Sensata-Netherlands Board may also resolve at any given time in its sole discretion, including after the Extraordinary Meeting, that the Merger is no longer in the interest of the Company and the enterprise connected with it, and therefore resolve not to effect the Merger. Refer to “Summary of the Merger — Merger Conditions,” included elsewhere in this proxy statement/prospectus for additional information.

What will I receive for my Sensata-Netherlands ordinary shares?

You will receive, as consideration for the Merger, one Ordinary Share of Sensata-UK in exchange for each share of Sensata-Netherlands you hold immediately prior to the effective time of the Merger.

Do I have to take any action to exchange my Sensata-Netherlands ordinary shares and receive the Ordinary Shares that I become entitled to receive as a result of the Merger?

All of the shares of Sensata-Netherlands traded on the NYSE are held by Cede & Co. as nominee sh